The Ontario Securities Commission

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

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

AUGUST 18, 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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- -

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

SCHEDULED OSC HEARINGS

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.	**Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney** s. 127 and 127.1 J. Superina in attendance for Staff Panel: TBA
September 21, 2006 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST

October 12, 2006
10:00 a.m.

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton

s. 127

H. Craig in attendance for Staff

Panel: TBA

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

December 5, 6, & 7, 2006
10:00 a.m.

Jose Castaneda

s. 127 and 127.1

T. Hodgson 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 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

TBA **John Daubney and Cheryl Littler**

s. 127 & 127.1

G. Mackenzie in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Mark-to-Market Component of Continuous Net Settlement Collateral Requirement

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED

MATERIAL AMENDMENTS TO CDS PARTICIPANT PROCEDURES

MARK-TO-MARKET COMPONENT OF CONTINUOUS NET SETTLEMENT COLLATERAL REQUIREMENT

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and The Canadian Depository for Securities Limited (CDS), the Commission approved on August 8, 2006, the rule amendments filed by CDS relating to the mark-to-market component of the continuous net settlement collateral requirement subject to the following term and condition:

> CDS will provide to the Commission the same analytical information relating to the impact of the change to the MTM component of the CNS collateral on the CCP withdrawal collateral requirements as CDS provides to the Bank of Canada.

The rule amendments allow for increased accuracy and efficiency in the calculation of collateral requirements for the CNS function. A copy and description of these amendments were published on June 9, 2006 at (2006) 29 OSCB 4887. No comment letters were received.

1.3 News Releases

1.3.1 Executive Director Approves Settlement Agreement Between Staff and Graham Desson

FOR IMMEDIATE RELEASE
August 11, 2006

EXECUTIVE DIRECTOR APPROVES
SETTLEMENT AGREEMENT
BETWEEN STAFF AND GRAHAM DESSON

TORONTO – On August 3, 2006, a Settlement Agreement between Staff of the Ontario Securities Commission and Graham Desson was approved.

On September 30, 2004, Desson purchased 100,000 shares of OntZinc Corporation ("OntZinc") at approximately .06¢ per share. At the time, Desson was a consultant to OntZinc. He purchased the shares while he possessed knowledge of undisclosed material information. The undisclosed material information was the potential acquisition by OntZinc of Hudson Bay Mining and Smelting ("HBMS"). At the time, Desson believed that it would not be inappropriate for him to purchase the OntZinc shares based on advice he received from senior executives at OntZinc.

The "profit made" from the purchases was $8,360.00. "Profit made" is a term defined in the *Securities Act*. It does not, in the circumstances of this case, equate to the amount by which Desson "profited" by the purchase of the OntZinc securities. In purchasing the securities, Desson did not intend to take improper advantage of any information he had about OntZinc's interest in acquiring HBMS.

Desson agreed to settle on the terms that he make a settlement payment of $16,720; pay costs of $5,000; and that he not trade in any securities of any company to which he provides accounting services unless he receives prior written confirmation from in-house counsel of the company.

The Settlement Agreement between Staff and Desson, approved by the Executive Director Peggy (Margaret) Dowdall-Logie is available on the Commission website.

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Manager, Public Affairs
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

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

Headnote

MRRS – Variation of prior relief from the investment prohibition in subsection 4.1(1) of NI 81-102 to extend prior relief to include offerings by private placement where the issuer is a reporting issuer in one or more jurisdiction – dealer managed mutual funds permitted to purchase securities during the distribution of an issuer's securities or for 60 days after, notwithstanding that an affiliate of the dealer manager acts as underwriter (the "Related Underwriter") in connection with the offering (the "Offering") of securities (each a "Relevant Offering") – Related Underwriter will not have greater than a 5 percent underwriting interest in a Relevant Offering, pre-approval by an Independent Committee of the Dealer Manager's policies and procedures relating to purchases under the Decision and of the first purchase (or standing approval in bought deals) of each Relevant Offering – 19.1 of NI 81-102 – definition of Relevant Offerings revised to include offerings by private placement where the issuer is a reporting issuer in one or more jurisdiction.

Applicable Legislative Provisions

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

August 8, 2006

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

AND

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

AND

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

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Applicant (or "**Dealer Manager**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") to vary the decision issued to the Dealer Manager on January 19, 2006 (the "**Prior Decision**" as set out in Appendix A) by permitting the Prior Decision to extend to private placement offerings where the issuer is a reporting issuer in one or more of the Jurisdictions (the "**Requested Relief**").

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless they are defined in this decision. All other capitalized terms that are not otherwise defined herein have the meanings given to them in the Prior Decision.

Representations

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

1. The Prior Decision provides exemptive relief to the Funds from the conflict of interest prohibition in Section 4.1 of NI 81-102 (the "**Investment Prohibition**") subject to certain conditions, including the condition that the offering must be made "by a prospectus filed with one or more securities regulators in Canada" (the "**Prospectus Condition**"). Accordingly, the exemptive relief provided by the Prior Decision does not extend to offerings by private placement.

2. The Applicant did not request the Requested Relief in connection with the Prior Decision through inadvertence.

3. The Applicant has implemented written policies and procedures with respect to the Prior Decision and has adopted a written mandate for and obtained a standing approval from the Independent Committee. Further, the Applicant has undertaken an extensive education process

with respect to the Prior Decision involving senior management, portfolio managers, traders and Independent Committee members, which process was completed in mid-March 2006.

4. The Applicant believes it is in the best interests of the Funds for the Applicant to have the ability to be able to invest in certain private placement offerings to which the Investment Prohibition would apply if the Requested Relief is not granted.

5. If the Requested Relief is granted, the conditions under the Prior Decision that apply to Relevant Offerings would also apply to such private placements.

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 Prior Decision is varied on the following conditions:

I. The definition of "**Relevant Offering**" is amended by adding the words "or pursuant to a private placement where the issuer is a reporting issuer in one or more of the Jurisdictions;

II. Condition XI is amended as follows:

XI. The offering of the Securities is made:

(a) by prospectus filed with one or more securities regulators in Canada; or

(b) by private placement, provided that the issuer is a reporting issuer in one or more of the Jurisdictions.

III. Condition XXV is amended as follows:

XXV. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the coming into force of any legislation or rule of the Decision Makers dealing with matters regulated by Section 4.1 of NI 81-102.

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

APPENDIX A

January 19, 2006

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

AND

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

AND

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

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application dated May 13, 2004 (the "**Application**") from the Applicant (or "**Dealer Manager**") on behalf of the mutual funds listed in Appendix "A" for which the Applicant currently acts as manager or portfolio adviser or both (the "**Existing Funds**") and any other mutual fund subject to National Instrument 81-102 *Mutual Funds* ("*NI 81-102*") which may be created in the future for which the Applicant or an affiliate of the Applicant will act as manager or portfolio adviser or both (the "**Future Funds**", and together with the Existing Funds, the "**Funds**" or "**Dealer Managed Funds**"), for a decision under section 19.1 of NI 81-102 (the "**Legislation**") for:

- an exemption from subsection 4.1(1) of NI 81-102, to enable the Dealer Managed Funds to purchase a preferred share, a common share or an income participating security of an issuer, or any security (such as a unit) of an issuer which allows the holder to participate in the earnings or growth of any entity, including any partnership or trust (the "**Securities**") during the period of distribution of the issuer's securities (the "**Distribution**") and for the 60-day period (the "**60-Day Period**") following completion of the Distribution (the Distribution and the 60-Day Period together, the "**Prohibition Period**"), notwithstanding that Dundee Securities Corporation ("**DSC**") (or a "**Related**

Underwriter") acts as an underwriter in connection with the offering of Securities pursuant to a prospectus filed with the Canadian securities regulatory authorities (each a "**Relevant Offering**"), such relief referred to as 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 meanings in this decision (the "**Decision**") unless they are defined in this Decision. In addition to capitalized terms defined elsewhere in this Decision, the following terms have the following meanings:

"Bought Deal" means a Relevant Offering which is made pursuant to an agreement under which an underwriter or underwriters, as principal(s), agree(s) to purchase Securities from an issuer or selling security holder with a view to a distribution of such Securities pursuant to a short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* or any comparable system in any of the Jurisdictions and such agreement is entered into prior to or contemporaneously with the filing of the preliminary short form prospectus in respect of the Relevant Offering.

Representations

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

1. Each of the Dealer Managed Funds is or will be an open-ended mutual fund trust or corporation established under the laws of the Province of Ontario. The securities of each of the Dealer Managed Funds are or will be qualified for distribution in the Jurisdictions pursuant to simplified prospectuses and annual information forms that have been prepared and filed in accordance with the securities legislation of the Jurisdictions.

2. The Applicant is or will be the manager, trustee (where applicable), portfolio adviser to certain of the Funds, principal distributor and registrar of the Dealer Managed Funds. The Applicant currently is, and will be in the future, a "dealer manager" with respect to the Funds, and each Fund is or will be a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

3. The Applicant is a corporation incorporated under the laws of Ontario, and is registered as an adviser in the categories of investment counsel and portfolio adviser in Ontario. The Applicant holds similar adviser registrations in Quebec, British Columbia, Alberta, Manitoba, Saskatchewan, Nova Scotia and New Brunswick. The head office of the Dealer Manager is in Toronto, Ontario.

4. The investment objective of each Dealer Managed Fund permits it to invest in the relevant Securities.

5. DSC may be a party to the underwriting agreement with an issuer of Securities in a Relevant Offering. In respect of each Relevant Offering in which a Related Underwriter participates as an underwriter, the Dealer Manager may cause the Dealer Managed Funds to invest in Securities during the Prohibition Period of the Relevant Offering.

6. DSC will not have greater than a 5 percent underwriting interest in a Relevant Offering of Securities of an issuer.

7. The investment prohibition contained in subsection 4.1 of NI 81-102 (the "**Investment Prohibition**") provides an exemption if the dealer manager or any of its associates or affiliates only acts as a member of a selling group distributing five percent or less of the underwritten securities. However, this *de minimis* exemption is not available to entities that are underwriting a distribution (as opposed to being in the selling group), and therefore the Dealer Managed Funds cannot avail themselves of this exemption even in Relevant Offerings in which DSC has a relatively modest share.

8. DSC is comparatively smaller than the Dealer Managed Funds, which are part of one of the largest mutual fund groups in Canada and are investors in Relevant Offerings. As a result, issuers and underwriters creating syndicates may be discouraged from including DSC in an underwriting syndicate because they do not want to be in a position in which the Funds are precluded from investing in a distribution. DSC has been particularly disadvantaged in terms of its ability to participate in income trust Distributions because of the importance of the Dealer Managed Funds as potential purchasers.

9. To the extent DSC does participate as an underwriter in a Relevant Offering, the Investment Prohibition restricts the Dealer Managed Funds from making certain investments in the issuer's Securities during the relevant Prohibition Period and can result in the portfolio adviser incurring extra costs, which are ultimately borne by the relevant Fund, to substitute investments for those that it is prohibited from buying.

10. The short timeframe to purchase Securities in Relevant Offerings done by way of Bought Deals does not give the Applicant the opportunity to

apply for relief to purchase Securities during the Distribution.

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

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

    (b) the Applicant and DSC may share general market information such as discussion on general economic conditions, bank rates, etc.

12. The Applicant has not been and will not (going forward) be involved in the work of the Related Underwriter. Similarly, the Related Underwriter has not been and will not be involved in the decisions of the Applicant as to whether the Dealer Managed Funds will purchase Securities during the Prohibition Period of a Relevant Offering.

13. In respect of each Relevant Offering, the Dealer Managed Funds will not be required or obliged to purchase any of the Securities during the Prohibition Period prior to placing an order for such Securities.

14. Any purchase of Securities during the Prohibition Period of a Relevant Offering will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Applicant uninfluenced by considerations other than the best interests of the Dealer Managed Funds, or in fact be in the best interests of the Dealer Managed Funds.

15. To the extent that the Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Securities purchased for them in a Relevant Offering in which the Related Underwriter participates as an underwriter will be allocated:

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

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

16. The Applicant will mandate its independent review committee (the "**Independent Committee**"), appointed in respect of the Dealer Managed Funds, to review each Dealer Managed Fund's purchases of Securities during the Prohibition Period of a Relevant Offering made pursuant to this Decision.

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

18. Prior to the first reliance on this Decision, the Independent Committee will have reviewed and approved the Applicant's written policies or procedures regarding its purchases of Securities to be made pursuant to this Decision which, as a minimum, sets out the conditions of this Decision.

19. The Independent Committee may, at the request of the Dealer Manager, provide written instructions permitting, on a continuing basis (each a "**Standing Approval**"), purchases of Securities during the Prohibition Period for Relevant Offerings made by way of Bought Deals pursuant to this Decision; provided that the Standing Approval may only apply to purchases throughout the Prohibition Period for a Relevant Offering if the Dealer Managed Funds make a purchase of Securities during the Distribution for such Relevant Offering. The Standing Approval must at a minimum include the terms and conditions of this Decision and (i) the maximum percentage of a Dealer Managed Fund's net asset value that the particular purchase in a Relevant Offering may represent, and (ii) the maximum percentage of the total Relevant Offering that the Dealer Manager may purchase in such Relevant Offering for a Dealer Managed Fund.

20. Prior to the first purchase by the Dealer Managed Funds of Securities of an issuer during the Prohibition Period for each Relevant Offering done by way of a Bought Deal to be made pursuant to this Decision, the Independent Committee will have provided a Standing Approval, which continues to be in effect throughout the Prohibition Period; provided, however, that if the Dealer Managed Funds do not purchase Securities in such Relevant Offering during the Distribution for

such Relevant Offering, the Independent Committee will have reviewed and approved the proposed first purchase of Securities to be made pursuant to this Decision during the 60-Day Period following the Distribution for such Relevant Offering.

21. Prior to the first purchase by a Dealer Managed Fund of Securities of an issuer during the Prohibition Period for each Relevant Offering not done by way of a Bought Deal to be made pursuant to this Decision, the Independent Committee will have reviewed and approved the proposed first purchase of Securities to be made pursuant to this Decision during the Prohibition Period for such Relevant Offering.

22. The Independent Committee's approval in paragraphs 19, 20, and 21 will include a determination by the Independent Committee after reasonable inquiry, which may include but is not limited to engaging independent counsel and other advisors it determines necessary to carry out its duties, that purchases of Securities as proposed by the Dealer Manager and made in reliance on this Decision during the Prohibition Period for the Relevant Offering(s):

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

    (b) will represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Funds, or

    (c) will, in fact, in the best interests of the Dealer Managed Funds; and

    (d) will be made in compliance with the Applicant's written policies or procedures referred to in paragraph IV of this Decision below.

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

24. The Independent Committee will review and assess on a regular basis, but not less frequently than once every calendar quarter, the adequacy and effectiveness of (i) any Standing Approvals that it has granted; and (ii) the Applicant's written policies and procedures referred to in paragraph IV of this Decision below, in ensuring compliance with this Decision.

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 this Decision has been met.

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriter may act as one of the underwriters in a Relevant Offering, provided that, in respect of the Dealer Manager and the Dealer Managed Funds, the following conditions are satisfied:

The Investment Decision

I. At the time of each purchase (the "**Purchase**") by a Dealer Managed Fund during a Prohibition Period for a Relevant Offering of Securities issued in such Relevant Offering, the following conditions are satisfied:

    (a) the Purchase

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

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

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

    (c) the Dealer Managed Fund does not accept solicitation by the Related Underwriter for Purchases for the Dealer Managed Fund; and

    (d) the issuer is not a "related issuer" or a "connected issuer", as defined in National Instrument 33-105 *Underwriting Conflicts*, of the Dealer Manager or its affiliates or associates;

    (e) if the Relevant Offering is done by way of a Bought Deal, provided that the Dealer Managed Fund makes a Purchase in the Distribution for such Relevant Offering, the Purchase is made pursuant to a Standing Approval of the Independent Committee which continues to be in effect throughout the Prohibition Period;

(f) if the Relevant Offering is done by way of a Bought Deal and the Dealer Managed Fund does not make a Purchase during the Distribution for such Relevant Offering, the Independent Committee has, prior to the first Purchase to be made during the 60-Day Period, reviewed and approved the proposed first Purchase to be made during the 60-Day Period for such Relevant Offering;

(g) if the Relevant Offering is not done by way of a Bought Deal, the Independent Committee has reviewed and approved the proposed first Purchase to be made during the Prohibition Period for such Relevant Offering, prior to the first Purchase in the Prohibition Period for such Relevant Offering; and

(h) the approvals in paragraphs I(e), (f) and (g) above, shall include a determination that the Independent Committee has formed the opinion after reasonable inquiry, which may include but is not limited to engaging independent counsel and other advisors it determines necessary to carry out its duties, that purchases of Securities as proposed by the Dealer Manager and made in reliance on this Decision during the Prohibition Period for the Relevant Offering(s):

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

(ii) will represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund; or

(iii) will, in fact, be in the best interests of the Dealer Managed Fund; and

(iv) will be made in compliance with the Applicant's written policies or procedures referred to in paragraph IV of this Decision below;

Transparency

II. Prior to the first reliance on this Decision, the internet website of the Dealer Managed Fund or Dealer Manager, as applicable, discloses,

and

on the date which is the earlier of (i) the date when an amendment to the simplified prospectus of the Dealer Managed Fund is filed for reasons other than this Decision and (ii) the date on which the initial or renewal simplified prospectus is receipted, Part A of the simplified prospectus of the Dealer Managed Fund discloses,

(a) that the Dealer Managed Fund may invest in Securities during the Prohibition Period pursuant to this Decision, notwithstanding that the Related Underwriter has acted as underwriter in the Relevant Offering of the same class of such Securities;

(b) the existence, purpose, duties, obligations and standard of care of the Independent Committee, the names of its members and a brief description of pertinent personal background information on the Independent Committee members;

(c) the fact that they meet the independent requirements set forth in this Decision;

(d) whether and how they are compensated for their review; and

(e) that a securityholder of the Dealer Managed Fund may request a copy of the disclosure referred to in paragraph XXIII below (which may be provided by way of an electronic link to the location at which the SEDAR Report is filed on SEDAR);

III. On the date which is the earlier of

(i) the date when an amendment to the annual information form of the Dealer Managed Fund is filed for reasons other than this Decision and

(ii) the date on which the initial or renewal annual information form is receipted,

the annual information form of the Dealer Managed Fund discloses the information referred to in paragraph 2(a) through (e) above and describes the policies or procedures referred to in paragraph IV below and the fact that Standing

Approvals may be granted by the Independent Committee;

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

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

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating Securities purchased for two or more Dealer Managed Funds and other accounts managed by the Dealer Manager ("**Managed Accounts**"), and

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

V. On the request by a securityholder of a Dealer Managed Fund, the Dealer Manager shall disclose the information referred to in paragraph XXIII below (which may be provided by way of an electronic link to the location at which the SEDAR Report is filed on SEDAR);

The Nature of the Purchase

VI. The Dealer Manager does not place an order to purchase, on a principal or agency basis, with the Related Underwriter;

VII. For Purchases during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of the Dealer Managed Funds and the Managed Accounts a fixed number of Securities (the "**Fixed Number**") to an underwriter other than the Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager, in the case of such Relevant Offering, no more than five (5) business days after the receipt for the final prospectus has been issued;

(c) does not place an order with an underwriter of the Relevant Offering to purchase an additional number of Securities under the Relevant Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number, in the case of a Relevant Offering, at the time the final prospectus was filed for the purposes of the closing of the Relevant Offering, the Dealer Manager may place an additional order for such number of additional Securities equal to the difference between the Fixed Number and the number of Securities allotted to the Dealer Manager at the time of the final prospectus in the event the underwriters exercise the over-allotment option; and

(d) in the case of a Relevant Offering, does not sell Securities purchased by the Dealer Manager under the Relevant Offering prior to the listing of such Securities on the Toronto Stock Exchange (the "**TSX**") or another recognized market.

VIII. Each Purchase during the 60-Day Period is made on the TSX or another recognized market;

IX. For Purchases during the 60-Day Period, an underwriter provides to the Dealer Manager written confirmation that the "dealer restricted period", as defined in Ontario Securities Commission Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*, in respect of the Relevant Offering has ended;

X. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to the Legislation or securities legislation of the Jurisdictions, the Purchases comply with the Legislation and securities legislation of the Decision Makers.

The Nature of the Offering

XI. The Offering of the Securities is made by prospectus filed with one or more securities regulators in Canada;

XII. Except for Purchases done during the Prohibition Period for a Relevant Offering done by way of a Bought Deal, the minimum number of Securities in a Relevant Offering qualified for distribution under the prospectus in the Relevant Offering is sold on the closing date stated in the prospectus as the expected closing date;

XIII. The Related Underwriter does not purchase Securities for its own account except Securities sold by the Related Underwriter on the closing of such Relevant Offering;

Nature of the Underwriting Interest

XIV. DSC shall not have greater than a five percent underwriting interest in a Relevant Offering;

Independent Review

XV. The Dealer Managed Funds have an Independent Committee to review the Dealer Managed Funds' Purchases;

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

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

XVIII. The Independent Committee will review and assess on a regular basis, but not less frequently than once every calendar quarter, (i) the adequacy and effectiveness of any Standing Approvals granted by it; and (ii) the adequacy and effectiveness of the Applicant's written policies and procedures referred to in paragraph IV of this Decision to ensure compliance with this Decision;

Liability

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

XX. A Dealer Managed Fund does not indemnify the members of the Independent Committee against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph XVII above;

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

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

Post-Transaction Disclosure

XXIII. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of the Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period for each Relevant Offering if it made a Purchase during the Prohibition Period for the Relevant Offering, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Securities purchased by the Dealer Managed Fund during the Prohibition Period of such Relevant Offering;

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

(iii) if applicable, that the Securities were Purchased under a Standing Approval;

(iv) whether it is known that any underwriter or syndicate member has engaged in market stabilization activities in respect of the Securities in such Relevant Offering;

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

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

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

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

associate or affiliate thereof; and

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

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

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

(d) a certification by each member of the Independent Committee that:

(i) where Purchases were made in the Distribution only, or in the Distribution and during the 60-Day Period, for a Relevant Offering done by way of a Bought Deal, the Standing Approval continued in effect throughout the Prohibition Period;

(ii) after reasonable inquiry, the terms and conditions of any Standing Approvals are adequate and effective and any necessary amendments to ensure that any Standing Approvals remain adequate and effective have been made;

(iii) where Purchases were made by the Dealer Managed Fund during the Prohibition Period for each Relevant Offering not done by way of a Bought Deal or only during the 60-Day Period for any Relevant Offering done by way of a Bought Deal, the Independent Committee reviewed and approved the proposed first Purchase during the Prohibition Period or the 60-Day Period as the case may be;

(iv) after reasonable inquiry the member is of the opinion that the policies and procedures referred to in paragraph IV above are adequate and effective to ensure compliance with this Decision and that any necessary amendments have been made to ensure such policies and procedures remain adequate and effective to ensure compliance with this Decision; and

(v) that the decision made on behalf of the Dealer Managed Fund by the Dealer Manager to purchase on behalf of the Dealer Managed Fund and each Purchase by the Dealer Managed Fund:

(A) was made in compliance with the conditions of this Decision, the Applicant's written policies or procedures referred to in paragraph IV of this Decision above, and if applicable, the terms and conditions of any Standing Approvals;

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

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

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

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

(a) any determination by it that the condition set out in paragraph XXIII(d) above has not been satisfied with respect to any Purchase;

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

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

(d) any action taken, or proposed to be taken, by the Dealer Manager in response to the determinations referred to above.

Sunset

XXV. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate the earlier of:

(a) one year from the date of the Decision; or

(b) the coming into force of any legislation or rule of the Decision Makers dealing with matters regulated by Section 4.1 of NI 81-102.

Yours truly,

"Leslie Byberg"

APPENDIX "A" – Existing Mutual Funds

Dynamic Focus+ Funds
Dynamic Focus+ American Fund
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Diversified Income Trust Fund
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund

Dynamic Income Funds
Dynamic Dividend Fund
Dynamic Dividend Income Fund

Dynamic Power Funds
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Small Cap Fund

Dynamic Specialty Funds
Dynamic Diversified Real Asset Fund
Dynamic Precious Metals Fund
Dynamic SAMI Fund
Dynamic Technology Fund
Dynamic World Convertible Debentures Fund

Dynamic Value Funds
Dynamic American Value Fund
Dynamic Canadian Dividend Fund Ltd.
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Discovery Fund
Dynamic International Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada

DYNAMIC CORPORATE CLASS FUNDS
Corporate Class Power Funds
Dynamic Power American Growth Class
Dynamic Power Canadian Growth Class
Dynamic Power Global Growth Class

Corporate Class Value Funds
Dynamic Canadian Value Class
Dynamic Global Value Class

Dynamic Managed Portfolios
DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class

2.1.2 Regalito Copper Corp. - 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.

Citation: Regalito Copper Corp., 2006 ABASC 1559

August 2, 2006

Farris, Vaughan, Wills & Murphy LLP
25th flr, 700 W Georgia Street
Vancouver, BC V7Y 1B3

Attention: Joseph Yang

Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 2nd day of August, 2006.

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

2.1.3 Quincy Energy Corp. - 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.

Citation: Quincy Energy Corp., 2006 ABASC 1558

July 28, 2006

Morton & Company
1200, 750 W Pender Street
Vancouver, BC V6C 2T8

Attention: Edward Mayerhofer

Dear Sir:

Re: Quincy Energy Corp. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of British Columbia, Alberta and Ontario (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 28th day of July, 2006.

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

2.1.4 BFI Canada Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – business acquisition report requirements - issuer granted relief to permit it to exclude expenses incurred on extinguishment of notes issued by a holding company acquired by the issuer from the calculation of the issuer's net income from continuing operations for the purposes of the required income test in section 8.3(2) and the optional income test in section 8.3(4) of NI 51-102.

Applicable Rules

National Instrument 51-102 - Continuous Disclosure Obligations.

January 20, 2006

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

AND

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

AND

IN THE MATTER OF
BFI CANADA INCOME FUND (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an order, pursuant to section 13.1 of National Instrument 51-102 — *Continuous Disclosure Obligations* (NI 51-102) permitting the Filer to exclude the Extinguishment Expense (defined below) from the calculation of the Filer's net income from continuing operations for the purposes of the required income test in section 8.3(2) of NI 51-102 and the optional income test in section 8.3(4) of NI 51-102 (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. The Filer is a limited purpose trust formed under the laws of the Province of Ontario pursuant to a declaration of trust. The principal office of the Filer is located in Toronto, Ontario.

2. The Filer is a reporting issuer in each of the provinces of Canada where such concept exists and is not on the list of reporting issuers in default in any of those jurisdictions.

3. Pursuant to its declaration of trust, the Filer may issue an unlimited number of units (the Units), of which 52,912,628 Units were issued and outstanding as at December 1, 2005.

4. The Units are listed and posted for trading on the Toronto Stock Exchange.

5. The Filer has two wholly-owned subsidiary entities: 4264126 Canada Limited (BFI Canada Newco) and Ridge Landfill Trust (Ridge Trust).

6. BFI Canada Newco is a holding company that owns most of the Canadian and U.S. operating companies of the BFI Canada group of companies (collectively, BFI Canada). None of BFI Canada Newco or any of its subsidiary entities is currently a reporting issuer (or equivalent) in any province or territory of Canada.

7. BFI Canada Newco owns IESI Corporation (IESI), a holding company and indirect majority-owned subsidiary of the Filer. IESI was acquired by an affiliate of the Filer on January 21, 2005 pursuant to the Transaction, as defined below.

8. IESI owns the Filer's U.S. operating companies. The Filer's main U.S. operating companies are IESI LA Corporation, IESI DE Corporation, IESI NY Corporation and IESI PA Corporation, each of which own landfills located in the United States.

9. BFI Canada Newco also owns BFI Canada Holdings Inc. (BFI Canada Holdings), a holding company and indirect wholly-owned subsidiary of the Filer. BFI Canada Holdings owns most of the Filer's Canadian operating companies. The Filer has four main Canadian operating companies as follows: BFI Canada Inc., which operates collection and landfill assets, BFI Usine de Triage Lachenaie Ltd., which operates a landfill and an energy plant, Enterprise Sanitaire F.A. Ltée.,

which operates a large residential waste collection company, and Twin Oaks Environmental Ltd., which operates collection assets and a transfer station.

10. Ridge Trust is a holding entity that owns, through Ridge (Chatham) Holdings L.P. and Ridge (Chatham) Holdings G.P. Inc., a landfill located in Canada. None of Ridge Trust or any of its subsidiary entities is currently a reporting issuer (or equivalent) in any province or territory of Canada.

11. On November 28, 2004, the Filer, certain of its affiliates and IESI entered into an agreement which provided for, among other things, the combination of the business carried on by BFI Canada Holdings with the business carried on by IESI and its subsidiaries (the Transaction).

12. The Transaction was funded in part from the offering of 15,583,334 subscription receipts, exchangeable for Units of the Filer, for proceeds of approximately $374,000,000 (the Offering), as described in the Filer's prospectus dated December 20, 2004 (the Prospectus).

13. On June 12, 2002, IESI issued approximately US$150 million principal amount of $10^{1/4}$% senior subordinated notes due 2012 (the Initial Notes) by way of private placement. In December 2002, IESI filed a registration statement under the *United States Securities Act of 1933*, as amended, to register new $10^{1/4}$% senior subordinated notes due 2012 (the IESI Notes) and to offer to exchange the IESI Notes for the Initial Notes. The IESI Notes were guaranteed by all of IESI's subsidiaries. IESI used the proceeds from the offering of the IESI Notes to repay amounts under its then outstanding term loan and revolving credit loan portions of its former credit facility.

14. In connection with the Transaction, IESI agreed to make a tender offer and consent solicitation, on commercially reasonable terms, using a portion of the net proceeds from the Offering, for all of the IESI Notes. The completion of the tender offer and consent solicitation for the IESI Notes was a closing condition of both the Transaction and the Offering. Also, the completion of the Transaction was conditional upon the closing of the Offering.

15. Subsequent to the closing of the Transaction, the Filer retired the IESI Notes and incurred $34,620,000 of expense on extinguishment (the Extinguishment Expense).[1] The Extinguishment Expense, albeit a condition of the Transaction, was not recorded in the acquisition equation included in the consolidated financial statements of the Filer and as such was recorded by the Filer as "financing costs" in its consolidated financial statements for the three months ended March 31, 2005 and, accordingly, is included in the consolidated financial statements for the nine months ended September 30, 2005. The inclusion of the Extinguishment Expense in the Filer's net income from continuing operations for these periods reduces the Filer's net income to a negative amount for those periods.

16. IESI's tender offer and consent solicitation for the IESI Notes was disclosed in the Prospectus as a condition of the Transaction, and an estimate of the amount of the Extinguishment Expense was included in the Filer's *pro forma* consolidated financial statements in the Prospectus.

17. The Filer's indirect acquisition of IESI pursuant to the Transaction, for total consideration of approximately $620,000,000 and the assumption of approximately $470,000,000 of outstanding debt, constituted a "significant probable acquisition" by the Filer during the course of the Offering pursuant to National Instrument 44-101.

18. After the closing of the Transaction, on May 12, 2005, the Filer filed a Business Acquisition Report on Form 51-102F4 with respect to the Transaction and with respect to the acquisition on January 4, 2005 of the assets of the Ridge landfill (the Ridge Landfill) located in Chatham, Ontario, as required by section 8.2 of NI 51-102 (the Business Acquisition Report Requirement).

19. The Filer's net income from continuing operations, as reported in its financial statements for the year ended December 31, 2004, does not include the results of operations from the Ridge Landfill or IESI. Management believes that such financial statements do not therefore reflect the magnitude of the Filer's net income from continuing operations for the purposes of the calculating the required income test prescribed by section 8.3(2) of NI 51-102. Similarly, management believes that the financial statements for interim periods after the completion of the Transaction, up to and including March 31, 2006, and for the year ending December 31, 2005 do not fully reflect the magnitude of the Filer's net income from continuing operations as — while they include the

[1] The Filer also recognized a future income tax asset amounting to approximately $13,900,000 relating to the Extinguishment Expense which has been recorded by the Filer as a recovery of income tax. The income tax recovery related to the Extinguishment Expense was recorded by the Filer in the three months ended March 31, 2005 and, accordingly, is included in the consolidated statement of operations for the nine months ended September 30, 2005.

results from the Ridge Landfill and IESI operations — they are offset by the one-time Extinguishment Expense. As such, management believes that these statements would not be an appropriate basis for calculating the required income test prescribed by section 8.3(2) of NI 51-102 or the optional income test set out in section 8.3(4) of NI 51-502.

20. Including the Extinguishment Expense in the Filer's income from continuing operations causes net income for the twelve months ended September 30, 2005 to be negative, and is expected to cause the Filer's net income for the twelve months ended December 31, 2005 to be far below the actual magnitude of the Filer's net income from its operating businesses.

21. As the Extinguishment Expense was recorded by the Filer in the three months ended March 31, 2005, the significance tests for any acquisition by the Filer during any period in 2005 or the three months ended March 31, 2006 will include the Extinguishment Expense. The Extinguishment Expense will not be included in the Filer's net income from continuing operations for periods after March 31, 2006. Management believes that including the Extinguishment Expense when calculating the required or optional income test for any period in 2005 or the three months ended March 31, 2006 does not accurately reflect the magnitude of the Filer's net income from continuing operations.

22. The Extinguishment Expense was contemplated by the Transaction and paid entirely from funds raised to finance the Transaction, including the proceeds of the Offering and drawings from a new credit facility entered into by IESI concurrent with the completion of the Transaction. Despite its inclusion in the Filer's income from continuing operations pursuant to Canadian GAAP, Management believes that the Extinguishment Expense is transactional in nature and therefore should not properly be considered an expense of continuing operations incurred in the ordinary course of business. The Extinguishment Expense was incurred solely to facilitate the Transaction, as described in the Prospectus and indicated in the Filer's *pro forma* consolidated financial statements in the Prospectus, which include an estimate of the amount of the Extinguishment Expense.

23. Management believes that it would be appropriate, upon application of the required and optional income tests with reference to the Filer's financial statements, to exclude the Extinguishment Expense (or gross up the Filer's income for the same amount) for the purpose of calculating the required or optional income tests. On that basis, management believes that the Filer's consolidated financial statements and the income test calculations would more accurately reflect the magnitude of the Filer's net income from continuing operations.

24. If the relief sought hereby is granted and the Filer completes an acquisition that is determined to be a "significant acquisition" upon the application of the asset test, the investment test or the income test (as calculated excluding the Extinguishment Expense) pursuant to sections 8.3(2) or 8.3(4) of NI 51-102, the Filer will, within 75 days, use its best efforts to file a Business Acquisition Report on Form 51-102F4, including historical financial statements of the acquired business and *pro forma* financial statements of the Filer, in satisfaction of the Business Acquisition Report Requirement.

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.

"Cameron McInnis"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 PFSL Investments Canada Ltd. et al. - MRRS Decision

Headnote

MRRS – Approval of fund mergers despite differences in investment objectives – financial statements of continuing fund not required to be sent to unitholders of the terminating funds provided information circular sent in connection with the unitholder meeting clearly discloses the various ways unitholders can access the financial statements – exemption from sending financial statements for future mergers as well.

Applicable Legislative Provisions

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

August 10, 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
PFSL INVESTMENTS CANADA LTD.
(the Manager)

AND

PRIMERICA INTERNATIONAL AGGRESSIVE GROWTH PORTFOLIO FUND, PRIMERICA GLOBAL AGGRESSIVE GROWTH PORTFOLIO FUND (*FORMERLY PRIMERICA INTERNATIONAL RSP AGGRESSIVE GROWTH PORTFOLIO FUND*), PRIMERICA INTERNATIONAL HIGH GROWTH PORTFOLIO FUND, PRIMERICA INTERNATIONAL GROWTH PORTFOLIO FUND, AND PRIMERICA CANADIAN CONSERVATIVE PORTFOLIO FUND
(collectively, 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 the Manager and the Terminating Funds (together, the Filers) for a decision under the securities legislation of the Jurisdictions (the Legislation) for:

(a) approval of the mergers (the Mergers) of the Terminating Funds into the applicable Continuing Funds (as defined below); and

(b) approval of any merger, after the date of this decision, of funds managed by the Manager 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 (the Future Mergers).

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.

"Continuing Funds" means Primerica Canadian Aggressive Growth Portfolio Fund, Primerica Canadian High Growth Portfolio Fund, Primerica Canadian Growth Portfolio Fund and Primerica Canadian Balanced Portfolio Fund;

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

Representations

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

1. The Manager is a corporation established under the laws of Canada. The Manager is the manager and trustee of each of the Funds.

2. Each Fund is an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to certain trust agreements.

3. Units of the Funds are currently qualified for sale in all of the provinces and territories of Canada by a simplified prospectus and an annual information form, each dated November 22, 2005, as amended by amendment no. 1 thereto dated May 3, 2006 and amendment no. 2 thereto dated June 26, 2006.

4. Each of the Funds is a reporting issuer under the applicable securities legislation of each province

and territory of Canada and is not in default of any requirements of applicable securities legislation.

5. Each Terminating Fund is a strategic allocation fund and invests 100% of its assets in securities of underlying mutual funds.

6. The net asset value of each Fund is calculated on a daily basis on each day that the Manager is open for business.

7. The Manager proposes to merge each of the Terminating Funds into the Continuing Funds on a tax deferred basis as follows:

   (a) Primerica International Aggressive Growth Portfolio Fund and Primerica Global Aggressive Growth Portfolio Fund (*formerly Primerica International RSP Aggressive Growth Portfolio Fund*) into Primerica Canadian Aggressive Growth Portfolio Fund;

   (b) Primerica International High Growth Portfolio Fund into Primerica Canadian High Growth Portfolio Fund;

   (c) Primerica International Growth Portfolio Fund into Primerica Canadian Growth Portfolio Fund; and

   (d) Primerica Canadian Conservative Portfolio Fund into Primerica Canadian Balanced Portfolio Fund.

8. Each proposed Merger will be structured substantially as follows:

   (a) The Terminating Fund will transfer all of its assets and liabilities to the corresponding Continuing Fund for an amount equal to the net value of the assets transferred as at the close of business on the effective date of the Merger, which amount will be satisfied as described in (b) below.

   (b) Units of the Continuing Fund will be issued by the Continuing Fund to the corresponding Terminating Fund having a net asset value equal to the net value of the assets transferred by the Terminating Fund.

   (c) The Terminating Fund will redeem its outstanding units and pay the redemption price for such units by distributing the units of the corresponding Continuing Fund to the Terminating Fund's unitholders.

   (d) The units of the Continuing Fund received by the unitholders of the corresponding Terminating Fund will have an aggregate net asset value equal to the aggregate net asset value of the units of the Terminating Fund that are being redeemed.

   (e) After the units of the Continuing Fund are distributed by the corresponding Terminating Fund to its unitholders, the Terminating Fund will be wound up as soon as reasonably practicable.

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

10. The units of the Continuing Fund received by a unitholder of the corresponding Terminating Fund will have the same fee structure as the units of the Terminating Fund held by that unitholder.

11. Unitholders of the Terminating Funds will continue to have the right to redeem units of the Terminating Funds at any time up to the close of business on the effective date of the Mergers.

12. Following the Mergers, investors in each Terminating Fund who had established a systematic investment plan or a systematic withdrawal plan will have a comparable plan established with respect to the corresponding Continuing Fund unless the investor advises the Manager otherwise.

13. The costs attributable to the Mergers (consisting primarily of legal, proxy solicitation, printing and mailing costs) will be borne by the Manager and will not be borne by the Terminating Funds or the Continuing Funds.

14. At special meetings of unitholders of each Terminating Fund to be held on August 18, 2006, unitholders of each Terminating Fund will be asked to approve the Mergers. Unitholders of each Continuing Fund will also be asked to approve certain changes to the fundamental investment objectives and investment strategies of the Continuing Funds. A notice of meeting and a management information circular were mailed to unitholders of the Terminating Funds and the Continuing Funds on July 27 and 28, 2006 and filed on SEDAR in accordance with applicable securities legislation.

15. Approval of the Mergers is required because each of the Mergers does not satisfy all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102 in that each Terminating Fund does not, in the opinion of the Manager, have "substantially similar fundamental

investment objectives" as the Continuing Fund into which it will be merged.

16. The primary differences between the fundamental investment objectives of each Terminating Fund and the corresponding Continuing Fund relate to the level of foreign securities held by the underlying funds in which certain of the Terminating Funds invest, as compared to the corresponding Continuing Fund. However, the Filers submit that with the elimination of foreign content restrictions for registered accounts, the Mergers will remove redundancy among the Terminating Funds and the Continuing Funds (particularly in light of the proposed changes to the fundamental investment objectives of the Continuing Funds effective immediately following the Mergers) and result in a strong, streamlined modern family of funds, combined with greater operating efficiencies and economies of scale.

17. Additionally, the most recent annual and interim financial statements of the Continuing Funds will not be sent to unitholders of the corresponding Terminating Funds but, instead, the Manager will prominently disclose in the information circular sent to unitholders of the Terminating Funds that they can obtain the most recent interim and annual financial statements of the Continuing Funds by accessing the SEDAR website at www.sedar.com, by toll-free number, by fax or by e-mail.

18. The Filers submit that if a securityholder is interested in reading the financial statements of the applicable Continuing Fund, he or she would take the time to access them by one of the means available. There would be cost savings if the Manager did not have to include the financial statements in the proxy packages sent to unitholders of the Terminating Funds.

19. Except as noted above, as at the time of the Mergers, the Mergers will meet all of the other conditions necessary for mutual funds to complete a merger without regulatory approval as prescribed by section 5.6 of NI 81-102.

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 Mergers and the Future Mergers are approved provided that:

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

(b) the information circular sent to unitholders in connection with a Merger or a Future Merger prominently discloses that unitholders can obtain the most recent interim and annual financial statements of the applicable Continuing Fund by accessing the SEDAR website at www.sedar.com, upon request and at no cost by calling toll-free, by fax or by e-mail;

(c) upon request by a unitholder for financial statements, the Manager will make best efforts 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 a Merger or a Future Merger; and

(d) each Terminating fund, Continuing fund and any mutual fund involved in a Merger or a Future Merger has, or will have, an unqualified audit report in respect of its last completed financial period.

This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in paragraph 5.5(1)(b) of NI 81-102.

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

2.1.6 CIBC Asset Management Inc et al. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

June 5, 2006

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

AND

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

AND

CIBC ASSET MANAGEMENT INC.,
CIBC GLOBAL ASSET MANAGEMENT INC.,
TD ASSET MANAGEMENT INC. AND
RBC ASSET MANAGEMENT INC.
(the "Applicants")

MRRS DECISION DOCUMENT

Background

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

- an exemption from subsection 4.1(1) of NI 81-102 (the "**Investment Restriction**") to enable the Dealer Managed Funds to invest in trust units (the "**Units**") of Teranet Income Fund (the "**Issuer**") during the period of distribution for the Offering (as defined below) (the "**Distribution**") and the 60-day period following the completion of the Distribution (the "**60-Day Period**") (the Distribution and the 60-Day Period together, the "**Prohibition Period**") notwithstanding that the Dealer Managers or their associates or affiliates act or have acted as an underwriter in connection with the initial public offering (the "**Offering**") of the Units offered pursuant to a final prospectus to be filed by the Issuer in accordance with the securities legislation of each of the Jurisdictions (the "**Investment Restriction 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 meanings in this decision unless they are defined in this decision.

Representations

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

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

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

3. The head offices of each of the Dealer Managers, except CIBC Global Asset Management Inc., are in Toronto, Ontario. The head offices of CIBC Global Asset Management Inc. are in Montreal, Québec.

4. The Issuer filed a preliminary prospectus (the "**Preliminary Prospectus**") dated May 8, 2006 with each of the Decision Makers, for which an MRRS decision document evidencing receipt by each of the Decision Makers was issued on May 9, 2006. The Issuer filed an amended and restated preliminary prospectus dated May 19, 2006 (the "**Amended Prospectus**").

5. According to the Issuer's term sheet dated May 11, 2006 (the "**Term Sheet**"), the Offering is being underwritten, subject to certain terms, by an underwriting syndicate that includes RBC Dominion Securities, TD Securities Inc. and CIBC

World Markets Inc. (each a "**Related Underwriter**", together with any other underwriters which are now or may become part of the syndicate prior to closing, the "**Underwriters**"). Each Related Underwriter is an affiliate of one or more of the Dealer Managers.

6. As disclosed in the Preliminary Prospectus, the Issuer is an unincorporated, open-ended trust established under the laws of Ontario, created to indirectly acquire all of the outstanding shares of Teranet Inc., and all of its subsidiaries ("**Teranet**"). Teranet primarily operates and supports a system of electronic registration of real property interests in Ontario. The Issuer may also hold other investments in activities engaged, directly or indirectly, in the business of providing other integrated information products and services as well as activities ancillary and incidental thereto and such other investments as may be determined by the trustee of the Issuer. The Issuer currently intends to make monthly distribution of its consolidated available distributable cash to Unit holders to the extent determined prudent by the Issuer's trustees. According to the Term Sheet, the Issuer will have an initial payout rate of 95%.

7. According to the Term Sheet, the Offering is expected to be for 70 million Units and the initial offering price for the Units is estimated to be $10.00 per unit. As a result, the gross proceeds of the Offering are expected to be approximately $700 million depending on the final offering price for the Units. In addition, according to the Preliminary Prospectus, the Underwriters will be granted an over-allotment option (the "**Over Allotment Option**") to purchase an amount equal to a percentage of the Units issued in the Offering which may be exercised within 30 days following the closing of the offering, which is expected to occur on June 15, 2006 (the "**Closing Date**"). According to the Preliminary Prospectus, the Over Allotment Option is expected to be for an amount equal to up to approximately 15% of the number of Units offered in the Offering. If the Over Allotment Option is exercised in full, the gross proceeds of the Offering are expected to be approximately $805 million.

8. According to the Preliminary Prospectus, if the Over-Allotment Option is not exercised, the net proceeds of the Offering will be used to subscribe for units of Teranet Operating Trust ("**TOT**") and for notes of the TOT designated as series 1 notes. TOT will, in turn, subscribe for class A limited partnership units of Teranet Holdings LP. Teranet Holdings LP will use a portion of the net proceeds of the Offering to pay the cash portion of the purchase price for an interest bearing demand promissory note issued by Teramira Holdings Inc. ("**Teramira**") to the province of Ontario which is convertible at the option of the holder into class B common shares of Teranet. The balance of such net proceeds, together with certain funds made available to Teranet under the New Credit Facilities (defined below), will be used to fund the redemption of Teranet's outstanding bonds in the aggregate principal amount of $280,000,000 due September 8, 2009 designated as 6.48% revenue bonds, to fund the redemption of Teranet's outstanding bonds in the aggregate principal amount of $300,000,000 due March 30, 2017, designated as 5.37% junior bonds, to repay a $20,000,000 promissory note owing by Teranet to the province of Ontario, and to augment Teranet's working capital at the Closing Date.

9. If the Over Allotment Option is exercised in full, the additional net proceeds will be used by the Issuer to, directly or indirectly, acquire units and/or class B units of Teranet Holdings LP at a price of $10 per unit, net of fees payable to the Underwriters in respect of the Over Allotment Option.

10. Pursuant to an underwriting agreement, the Issuer and the Underwriters will enter into in respect of the Offering prior to the Issuer filing the final prospectus for the Offering, the Issuer will agree to sell to the Underwriters, and the Underwriters will agree to purchase, as principals, all of the Units offered under the Offering.

11. According to the Preliminary Prospectus, there is presently no market through which the Units may be sold and purchasers may not be able to resell the Units purchased. However, according to the Term Sheet, the Issuer has applied to list the Units on the Toronto Stock Exchange.

12. The Preliminary Prospectus does not disclose that the Issuer is a "related issuer" as defined in National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**").

13. According to the Amended Prospectus, the Issuer may be a "connected issuer" as defined in NI 33-105 of the Related Underwriters for the reasons set forth in the Preliminary Prospectus. As disclosed in the Preliminary Prospectus, these reasons include that RBC Dominion Securities Inc., is a subsidiary of a Canadian chartered bank that has committed to provide: (i) a $70 million revolving credit facility; (ii) a $30 million LC facility; (iii) a $315 million bridge loan facility; and (iv) a $150 million term loan facility, and (v) a $100 million capex facility (collectively the "**New Credit Facilities**"), all upon closing of the Offering. CIBC World Markets Inc. is a subsidiary of a Canadian chartered bank that holds an approximate 3% indirect ownership interest in Teranet. Accordingly, the issuer may be considered a "connected issuer" to the Related Underwriters under NI 33-105. The Amended Prospectus does not disclose that TD Securities Inc. is a

"connected issuer" to any of the Related Underwriters under NI 33-105.

14. According to the Amended Prospectus, the decision to issue the Units and the details of the Offering were made through negotiations between the Issuer, Teramira, Teranet and the Underwriters. As a consequence of the Offering the Related Underwriters will receive their proportionate share of the underwriters' fee.

15. The first quarterly meeting of the Independent Committee of the Dealer Managed Funds of RBC Asset Management Inc., immediately following the end of the Prohibition Period, is scheduled to be held on September 15, 2006.

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

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

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

17. The Dealer Managed Funds are not required or obligated to purchase any Units during the Prohibition Period.

18. Each Dealer Manager may cause its Dealer Managed Funds to invest in the Units during the Prohibition Period. Any purchase of the Units by a Dealer Managed Fund will be consistent with the investment objectives of that Dealer Managed Fund and represent the business judgment of the Dealer Manager for that Dealer Managed Fund uninfluenced by considerations other than the best interests of the Dealer Managed Fund or in fact be in the best interests of the Dealer Managed Fund.

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

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

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

20. Except as described above, each Dealer Manager has not been involved in the work of its Related Underwriter and each Related Underwriter has not been and will not be involved in the decisions of its Dealer Manager as to whether such Dealer Manager's Dealer Managed Funds will purchase Units during the Prohibition Period.

21. There will be an independent committee (the "**Independent Committee**") appointed in respect of each Dealer Manager's Dealer Managed Funds to review such Dealer Managed Funds' investments in the Units during the Prohibition Period.

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

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

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

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from the Investment Restriction and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

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

The Decision of the Decision Makers under the Legislation is that the Investment Restriction Relief is granted, notwithstanding that the Related Underwriters act or have acted as underwriters in the Offering provided that, in respect of each Dealer Manager and its Dealer Managed Funds, independent of any of the other Applicants and their Dealer Managed Funds, the following conditions are satisfied:

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

(a) the Purchase

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

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

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

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

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

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

(b) in connection with any Purchase,

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

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

III. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Units for the Dealer Managed Funds;

IV. The Related Underwriter does not purchase Units in the Offering for its own account except Units sold by the Related Underwriter on Closing;

V. The Dealer Managed Fund has an Independent Committee to review the Dealer Managed Funds' investments in the Units during the Prohibition Period;

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

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

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

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

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

XI. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of each Dealer Managed Fund, no later than 37 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Units purchased by the Dealer Managed Funds of the Dealer Manager;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XIII. For Purchases of Units during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of Dealer Managed Funds and Managed Accounts a fixed number of Units (the "**Fixed Number**") to an Underwriter other than its Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager no more than five (5) business days after the final prospectus has been filed;

(c) does not place an order with an underwriter of the Offering to purchase an additional number of Units under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time the final prospectus was filed for the purposes of the Closing, the Dealer Manager may place an additional order for such number of additional Units equal to the difference between the Fixed Number and the number of Units allotted to the Dealer Manager at the time of the final prospectus in the event the Underwriters exercise the Over-Allotment Option; and

(d) does not sell Units purchased by the Dealer Manager under the Offering, prior to the listing of such Units on the TSX.

XIV. Each Purchase of Units during the 60-Day Period is made on the TSX or NYSE; and

XV. For Purchases of Units during the 60-Day Period only, an underwriter provides to the Dealer Manager written confirmation that the "dealer restricted period" in respect of the Offering, as defined in Ontario Securities Commission Rule 48-501, Trading During Distributions, Formal Bids and Share Exchange Transactions, has ended.

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

APPENDIX "A"

THE MUTUAL FUNDS

Frontiers Pools

Frontiers Canadian Equity Pool
Frontiers Canadian Monthly Income Pool

CIBC Mutual Funds

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

Imperial Pools

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

Renaissance Talvest Mutual Funds

Renaissance Canadian Balanced Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Dividend Income Fund
Renaissance Canadian Income Trust Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Income Trust Fund II
Renaissance Canadian Small Cap Fund
Talvest Dividend Fund
Talvest Cdn. Asset Allocation Fund
Talvest Cdn. Equity Value Fund
Talvest Small Cap Cdn. Equity Fund
Talvest Millennium High Income Fund
Talvest Millennium Next Generation Fund

RBC Funds (formerly RBC Advisor Funds)

RBC Blue Chip Canadian Equity Fund
RBC Funds (formerly Royal Mutual Funds)
RBC Balanced Fund
RBC Canadian Equity Fund
RBC Canadian Growth Fund
RBC Canadian Value Fund
RBC Balanced Growth Fund
RBC Monthly Income Fund

RBC Private Pools

RBC Private Income Pool
RBC Private Dividend Pool
RBC Private Canadian Equity Pool
RBC Private Canadian Mid Cap Equity Pool

RBC Funds (New Advisor Series)

RBC Dividend Fund
RBC Tax Managed Return Fund

TD Mutual Funds

TD Balanced Fund
TD Canadian Value Fund
TD Monthly Income Fund
TD Dividend Growth Fund
TD Dividend Income Fund
TD Income Trust Capital Yield Fund
TD Balanced Growth Fund
TD Canadian Small-Cap Equity Fund
TD Private Funds
TD Private Income Trust Fund
TD Private Canadian Dividend Fund
TD Private Small/Mid-Cap Equity Fund

2.1.7 Devon Canada Corporation - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

August 11, 2006

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

AND

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

AND

IN THE MATTER OF
DEVON CANADA CORPORATION (the Applicant)

MRRS DECISION DOCUMENT

Background

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

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

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

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

Representations

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

   3.1 The Applicant's head office is located in Calgary, Alberta;

3.2 The Applicant is a reporting issuer in each of the Jurisdictions;

3.3 The outstanding Cdn. $200,000,000 of 6.55% unsecured, non-redeemable medium term notes of the Applicant (the Notes) have matured. The only securities issued and outstanding of the Applicant are the securities issued to Devon Operating Company Ltd., an indirect subsidiary of Devon Energy Corporation (Devon Energy);

3.4 The Applicant is a "credit support issuer" (as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102)) with Devon Energy being the applicable "credit supporter" (as defined under NI 51-102) and accordingly, has relied upon the exemption provided in section 13.4 of NI 51-102 (the Exemption) in respect of its continuous disclosure filing requirements;

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

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

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

Decision

4. 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.

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

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

2.1.8 Venturelink Fund Inc. and Venturelink Brighter Future (Equity) Fund Inc. - MRRS Decision

Headnote

MRRS – ss. 5.5(1)(b) and 19.1 of National Instrument 81-102 Mutual Funds (NI 81-102) – Approval of an amalgamation of labour sponsored investment funds and exemption from the requirements for incentive fees in section 7.1 of NI 81-102 – approval is required because the amalgamation does not meet all of the pre-approval requirements in s. 5.6 of NI 81-102 – The performance bonus is based on realized gains and the cumulative performance of the venture portfolio (and not in relation to a benchmark) - Approval is granted because the Amalgamation will benefit shareholders and will make the LSIF market more efficient – relief for incentive fee payment is granted because there is no appropriate benchmark and the amalgamated fund still needs to meet a threshold return.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 7.1, 19.1.

July 21, 2006

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

AND

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

AND

IN THE MATTER OF
VENTURELINK FUND INC. AND
VENTURELINK BRIGHTER FUTURE
(EQUITY) FUND INC.
(the 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 the Funds for a decision under securities legislation for:

(a) approval of a proposed amalgamation of the Funds (the **Amalgamation**) pursuant to clause 5.5(1)(b) of National Instrument 81-102 - *Mutual*

Funds (**NI 81-102**) (the **Amalgamation Approval**); and

(b) an exemption from section 7.1 of NI 81-102 to permit the Amalgamated Fund (as defined herein) to pay a performance bonus described in paragraphs 32 and 33 (the **Performance Bonus**) to the manager of the Amalgamated Fund (the **Performance Bonus Exemption**).

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 Funds:

The Filers

VentureLink Fund Inc.

1. VentureLink Fund Inc. (**VL**) was incorporated under the *Canada Business Corporations Act* (the **CBCA**).

2. VL is a registered labour sponsored investment fund corporation (**LSIF**) under the *Community Small Business Investment Funds Act* (Ontario) (the **CSBIF Act**) and is a prescribed labour-sponsored venture capital corporation (LSVCC) under the *Income Tax Act* (Canada) (the **Tax Act**). VL's investing activities are governed by such legislation (the **VL LSIF Legislation**).

3. VL primarily invests in small and medium sized businesses and primarily technology companies, with the objective of obtaining long term capital appreciation and must make "eligible investments" in "eligible businesses" as prescribed under the VL LSIF Legislation.

4. The labour sponsor of VL is the Canadian Federal Pilots Association (the **VL Sponsor**).

5. The authorized capital of VL is as follows:

   (a) an unlimited number of Class A shares issuable in series, which are widely held, of which there are currently 4 series created and issued; and

   (b) an unlimited number of Class B shares of which all of the issued and outstanding Class B shares are held by the VL Sponsor.

6. VentureLink LP is the manager of VL under a management contract. VentureLink LP is controlled by VL Capital Inc. a company controlled by Geoffrey D. Horton, W. James Whitaker and John S. Varghese. Its sole business is managing the Funds and four other VentureLink funds and it has approximately $215 million in assets under management.

7. VL's shares are not listed on an exchange and VL ceased offering Class A shares under a prospectus as of January 20, 2004.

8. As of May 31, 2006, VL had approximately $27 million in net assets.

9. The net asset value of VL is calculated each business day.

10. VL has complied with Part 11 of National Instrument 81-106 - *Investment Fund Continuous Disclosure* (**NI 81-106**) in connection with the Amalgamation.

VentureLink Brighter Future (Equity) Fund Inc.

11. VentureLink Brighter Future (Equity) Fund Inc. (**BFE**) was incorporated under the CBCA.

12. BFE is registered as a LSIF under the CSBIF Act and is registered as a LSVCC under the Tax Act. BFE's investing activities are governed by such legislation (the **BFE LSIF Legislation**).

13. BFE primarily invests in a diversified portfolio of Canadian businesses developing products, services and technologies in the essential services and infrastructure industries, such as energy, water and waste management and by investing the remainder of the net proceeds in reserves, including debt instruments whose returns are linked to the performance of the Standard and Poor's 500 Index. BFE's objective is to obtain long term capital appreciation and it must make "eligible investments" in "eligible businesses" as prescribed under the BFE LSIF Legislation.

14. The labour sponsor of BFE is the Canadian Federal Pilots Association (the **BFE Sponsor**).

15. The authorized capital of BFE is as follows:

   (a) an unlimited number of Class A shares issuable in series, which are widely held, of which there are 4 series created; and

(b) an unlimited number of Class B shares, of which all of the issued and outstanding Class B shares are held by the BFE Sponsor.

16. VentureLink LP is the manager of BFE under a management contract.

17. BFE offers Class A Series III and Class A Series IV Shares under a prospectus dated August 25, 2005, as amended (the **BFE Prospectus**).

18. As of May 31, 2006, BFE had approximately $14.5 million in net assets.

19. The net asset value of BFE is calculated each business day.

20. BFE has complied with Part 11 of NI 81-106 in connection with the proposed Amalgamation.

The Amalgamation

21. On June 15, 2006, VL and BFE announced the proposal to amalgamate the Funds and to continue them as one fund (the **Amalgamated Fund**).

22. The Amalgamated Fund's objective is to realize long-term capital appreciation by making venture capital investments in a diversified portfolio of securities in eligible Canadian businesses.

23. It is anticipated that the shareholders of VL and BFE will vote on the Amalgamation at shareholders' meetings to be held on July 25, 2006 (the **Shareholders' Meetings**), and, if approved, the Amalgamation is expected to be effective on a date (the **Effective Date**) to be determined by VentureLink LP, currently expected to be on or about July 28, 2006. The Manager may, in its discretion postpone the implementation of the approved Amalgamation until a later date which shall not be later than October 1, 2006. The boards of directors of the Funds may elect to not proceed with the Amalgamation.

24. In connection with the Shareholders' Meetings, shareholders of VL and BFE will be sent an information circular (the **Circular**) which will contain details of the proposed Amalgamation, including income tax considerations associated with the Amalgamation.

25. It is proposed that on the Effective Date, the Funds will amalgamate pursuant to section 181 of the CBCA and continue thereafter as a registered LSVCC pursuant to the Tax Act and as a LSIF pursuant to the CSBIF Act under the name the "VentureLink Brighter Future Fund Inc." or such other name that is decided by the Board of Directors. On the Effective Date shareholders of:

(a) VL Class A Shares, Series I, Class A Shares, Series III and Class A Shares, Series IV will be entitled to receive, in exchange for those shares, Class A Shares of the same series in the capital of the Amalgamated Fund equal to the number of VL Class A Shares of the series so held multiplied by the net asset value per Class A Share of the series held of VL divided by the net asset value per Class A Share of the same series of the Amalgamated Fund all as determined on the Effective Date;

(b) BFE Class A Shares Series I, Class A Shares, Series II, Class A Shares, Series III and Class A Shares, Series IV will be entitled to receive, in exchange for those shares, Class A Shares of the same series in the capital of the Amalgamated Fund equal to the number of BFE Class A Shares of the series so held multiplied by the net asset value per Class A Share of the series held of BFE divided by the net asset value per Class A Share of the same series of the Amalgamated Fund all as determined on the Effective Date;

(c) VL Class A Shares Series II will be entitled to receive, in exchange for those shares, Class A Shares, Series V in the capital of the Amalgamated Fund equal to the number of VL Class A Shares of the series so held multiplied by the net asset value per Class A Share of the series held of VL divided by the net asset value per Class A Share of the same series of the Amalgamated Fund all as determined on the Effective Date; and

(d) VL and BFE Class B Shares will be entitled to receive, in exchange for those shares, 200 Class B Shares in the capital of the Amalgamated Fund.

26. While the Amalgamation will not be a "qualifying transaction" within the meaning of section 132.2 of the Tax Act, more than 95% of the issued and outstanding shares of VL and BFE are held in tax sheltered registered retirement savings plans. Moreover, based on historical selling prices and the anticipated relative values of the shares issued by the Amalgamated Fund and the Class A shares of VL and BFE on the Effective Date, very few of the shareholders of VL or BFE will realize a capital gain as a result of the Amalgamation.

27. Shareholders of the Funds are permitted to dissent from the Amalgamation pursuant to the provisions of section 190 of the CBCA, as applicable. A shareholder who dissents will be entitled, in the event the Amalgamation becomes effective, to be paid by the Amalgamated Fund,

the fair market value of the Class A Shares of a Fund held by such shareholder determined as at the close of business on the day before the Amalgamation resolution was passed. Where a shareholder dissents from an amalgamation and receives a cash payment for his shares from the amalgamated corporation, the shareholder is considered to have realized proceeds of disposition equal to the amount of the payment received by the shareholder. The proceeds of disposition will be reduced by the amount withheld and paid to the Receiver General for Canada as a return of the federal tax credit, the amount withheld from the proceeds and paid by the Amalgamated Fund to the Ministry of Finance (Ontario) as a return of the Ontario tax credit and applicable early redemption fees.

28. VentureLink LP will continue to serve as manager for the Amalgamated Fund (the **AF Manager**).

29. The costs of implementing the Amalgamation including the legal, incremental printing, mailing and regulatory costs will be borne by VentureLink LP. The cost of the solicitation of proxies for the Shareholders' Meeting will be borne by the Funds.

30. As a result of the terms of the Amalgamation, and the nature of VL and BFE as LSIFs, the Funds require approval of the Amalgamation and cannot rely on section 5.6(1) of NI 81-102 for the following reasons:

(i) a reasonable person would not consider the Amalgamated Fund to have substantially similar fundamental investment objectives and management fee structure as the Funds, as required by Section 5.6(a)(ii) of NI 81-102;

(ii) the Amalgamation is not a "qualifying exchange" within the meaning of section 132.2 of the Tax Act, as required by Section 5.6(1)(b) of NI 81-102;

(iii) the Amalgamation does not contemplate the wind up of the Funds;

(iv) the materials to be sent to shareholders of VL and BFE will not include: a copy of the current long form prospectus of the Amalgamated Fund, or a copy of the annual and interim financial statements of the Amalgamated Fund, as required by section 5.6(1)(f)(ii) of NI 81-102 because such documents do not yet exist.

31. Management of the Funds believes that the Amalgamation will be beneficial to shareholders for the following reasons:

(a) Greater Venture Portfolio Diversification - The shareholders of the Amalgamated Fund, will become shareholders of a fund which has a broader, more diversified venture portfolio which is composed of a greater number of portfolio companies than that held by each individual fund. Diversification is the main tool available to reduce the high level of risk inherent in venture investing.

(b) Improved Liquidity - After the Amalgamation, the Amalgamated Fund is expected to have a stronger overall liquidity position than each of the Funds would have had alone. Maintaining adequate liquidity is important for a number of reasons. Cash is needed to meet the follow-on investment requirements of investee companies and to meet the redemption requests of shareholders. Adequate liquidity avoids the need to sell portfolio positions at inopportune times to generate cash, which can result in lower values being realized. Adequate liquidity which allows the Amalgamated Fund to meet follow-on fundraising commitments to investee companies also prevents shareholders from suffering the dilutive effects of "down round" financings.

(c) Improved Competitive Position - As the sector consolidates, investment advisors are expected to favour larger, stronger funds. This is expected to be a positive factor for future capital raising ability which will benefit the Funds' shareholders over the remaining period that the Ontario Government is providing tax credits for LSIFs (particularly in the next three years wherein the full 15% tax credit will continue to be offered).

(d) Reduced Costs - As compared to continuing each of the Funds as a single entity, shareholders of the Amalgamated Fund can expect to bear a modestly reduced level of fixed, recurring fees and expenses post-Amalgamation such as those of professional services fees and shareholder communication expenses.

Performance Bonus

32. The Performance Bonus proposed for the Amalgamated Fund does not satisfy the requirements of Section 7.1 of NI 81-102. The Performance Bonus is based on realized gains

and the cumulative performance of the venture portfolio (and not in relation to a benchmark). The Performance Bonus is not based on the total return of the Amalgamated Fund because reserves are not included in the venture portfolio and because the quantum of the Performance Bonus is calculated on an investment-by-investment basis.

33. The AF Manager will be entitled to a Performance Bonus based on the realized gains and cumulative performance of the venture portfolio of the Amalgamated Fund. The Performance Bonus will consist of two parts.

34. The first part pays the AF Manager a 5% performance bonus for returns in excess of current market value of an eligible investment plus the threshold rate of return. Before the 5% performance is paid by the Amalgamated Fund on the realization of an eligible investment, the venture portfolio must have:

    (a) earned sufficient income to generate a rate of return on eligible investments in excess of a cumulative annualized threshold return of 6%. The income on eligible investments includes realized and unrealized investment gains and losses earned and incurred since the merger date;

    (b) earned income from the eligible investment which provides a cumulative investment return at an average annual rate in excess of 6% since the merger date; and

    (c) fully recouped an amount equal to all principal invested in the eligible investment.

    Subject to all of the above, the Performance Bonus will be an amount equal to 5% of: [proceeds (including realized gains and income) less (the greater of: current market value on the merger date plus 6% per annum; and original cost)]. The payment of the Performance Bonus must not reduce the return of the venture portfolio from the merger date below a cumulative annualized return of 6%. Otherwise, the Performance Bonus will be reduced to an amount that preserves the threshold return of 6%.

35. The second part pays the AF Manager a 10% performance bonus for returns over current cost. Before the 10% performance bonus can be paid the following conditions will have to be satisfied.

    (a) earned sufficient income to generate a rate of return on eligible investments in excess of original cost of the portfolio plus a cumulative annualized threshold return of 6% since the merger date. The income on eligible investments includes realized and unrealized investment gains and losses earned and incurred since the merger date; and

    (b) fully recouped an amount equal to all principal invested in the eligible investment.

    Subject to all of the above, the Performance Bonus will be an amount equal to 10% of all income earned from the eligible investment. The payment of the Performance Bonus must not reduce the return to shareholders of the venture portfolio from the merger date below original cost (approximately $52 million at April 30, 2006) plus a cumulative annualized threshold return of 6%. Otherwise, the Performance Bonus will be reduced to an amount that preserves the threshold return of 6%.

36. The Performance Bonus set out above is different from other incentive plans in the industry, such as currently used by the Funds, which provide that 20% of any realized gains will be paid as a Performance Bonus provided that the portfolio return is in excess of 6% after payment of the bonus. The Amalgamation and the Performance Bonus were approved by the independent members of the Board of Directors of the Funds after a formal process setting out the benefits to the Class A shareholders of the merger and evaluating various alternatives for the Performance Bonus. Possible alternatives varied from carrying forward all balances from BFE and VL to a full reset of the incentive plan whereby cost for all investments would be deemed to be the carrying value as at the date of the merger. The net impact of the recommended plan is to provide a limited incentive (5%) to the Manager for portfolio performance in excess of 6% and a greater incentive (an additional 10%) for portfolio performance that produces returns in excess of cost plus 6%.

37. The Performance Bonus as recommended is meant to achieve a number of objectives including the following:

    (a) Alignment with Class A shareholders as the proposed plan provides for some potential to the AF Manager provided the post merger portfolio returns over 6% per annum but only for that portion of the return in excess of 6%. It should be noted that any potential payouts are relatively low until portfolio returns are at a sustained level of 10% or greater.

    (b) The Performance Bonus makes no distinction between which of the Funds a particular investment originates from.

This avoids any bias affecting investment selection, follow-on investing or exiting decisions.

(c) The Performance Bonus, while less generous than industry standard plans, provides a reasonable opportunity for potential payouts. This avoids a potential disincentive for the AF Manager to incur the costs of raising further share capital for the Fund.

(d) The Performance Bonus provides the AF Manager with some incentive to bear the cost of merging the funds for the benefit of the Class A shareholders.

38. The Manager believes that the basis for payment of the Performance Bonus is appropriate in light of the nature of venture capital investing and is consistent with the incentives used in the venture capital funds. The Amalgamated Fund believes that it needs to be able to offer the Performance Bonus in order to attract and retain the necessary professional expertise to be able to carry out the investment operations and its mandate.

39. The prospectus for the Amalgamated Fund will:

(a) fully disclose that the AF Manager considers the Performance Bonus to be appropriate given the disclosed investment objectives and strategies of the Amalgamated Fund;

(b) provide an explanation of why the Performance Bonus is appropriate for the Amalgamated Fund; and

(c) provide an explanation of the Performance Bonus calculation for partial dispositions of an eligible investment.

Shareholder Disclosure

40. The Circular sent to VL and BFE shareholders will:

(a) include disclosure about the Amalgamation and prospectus like disclosure concerning the Amalgamated Fund and the shares to be issued under the Amalgamation including information regarding fees, expenses, investment objective, investment strategy, valuation procedures, the manager, the investment manager, redemptions, income tax considerations, dividend policy, net asset value and risk factors;

(b) disclose that shareholders can obtain audited annual financial statements of VL and BFE as at and for the periods ended December 31, 2005, any management reports of fund performance produced by VL and BFE, and the annual information form for VL, at no cost by accessing the SEDAR website at www.sedar.com, by accessing the VentureLink Funds website at www.venturelinkfunds.com. Note that financial statements have been delivered, in the normal course in accordance with the requirements of NI 81-106, to those shareholders of VL and BFE that requested them.

41. Although the materials sent to shareholders of VL and BFE will not include a copy of the current long form prospectus or annual and interim financial statements of the Amalgamated Fund, the Circular sent to these shareholders will contain detailed information about the Amalgamated Fund as it would be should the Amalgamation occur. The Circular will also contain a pro forma statement of net assets of the Amalgamated Fund compiled from he balance sheets of the Funds at December 31, 2005.

42. The Circular will contain a description of the Amalgamation, including the tax considerations associated with the Amalgamation and a description of the role of the Board of Directors of the Funds in approving the Performance Bonus, which will allow VL and BFE shareholders to make an informed decision with respect to the Amalgamation.

Decision

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

The decision of the Decision Makers under NI 81-102 is that:

1. the Amalgamation Approval is granted subject to the following:

(a) the Funds have disclosed in the Circular of VL and BFE that shareholders can obtain the most recent annual and interim financial statements of VL and BFE that have been made public, at no cost, by accessing the SEDAR website at www.sedar.com, by accessing the VentureLinks website at www.venturelinkfunds.com or by calling a toll-free telephone number; and

(b) the Funds include prospectus-like disclosure concerning the Amalgamated Fund in the Circular of VL and BFE; and

2. the Performance Bonus Exemption is granted provided that the prospectus of the Amalgamated Fund discloses:

(a) that the AF Manager considers the Performance Bonus to be appropriate given the disclosed investment objectives and strategies of the Amalgamated Fund;

(b) an explanation of why the Performance Bonus is appropriate for the Amalgamated Fund; and

(c) an explanation of how the Performance Bonus is calculated for partial dispositions of an eligible investment.

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

2.1.9 Fidelity Retirement Services Company of Canada Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to participating dealer and potential principal distributor from the requirements of section 11.1(1)(b) and section 11.2(1)(b) of NI 81-102 to permit commingling of cash received for the purchase or redemption of mutual fund securities with cash received for the purchase and sale of other securities or instruments the participating dealer is licensed to sell, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 11.1(1)(b), 11.2(1)(b), 19.1.

August 11, 2006

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

AND

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

AND

IN THE MATTER OF
FIDELITY RETIREMENT SERVICES COMPANY OF CANADA LIMITED (the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision (the "Requested Relief") under section 19.1 of National Instrument 81-102 *Mutual Funds* (the "Legislation") for an exemption from the provisions of section 11.1(1)(b) and section 11.2(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") that prohibit a principal distributor and other service providers, or a participating dealer and other service providers, from commingling cash received for the purchase or redemption of mutual fund securities ("Mutual Fund Trust Monies") with cash received for the purchase or sale of guaranteed investment certificates ("GICs") and other securities or instruments the participant is permitted to sell, with respect to transactions for participants in Fidelity Group Plans and

the Fidelity NextStep Program (each as defined below) ("Non Mutual Fund Client Trust Monies") (the "Commingling Prohibitions").

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's principal business is acting as record keeper for employer sponsored group retirement and savings plans ("Fidelity Group Plans") and in the course of so acting the Filer trades in mutual funds, employer stock and guaranteed investment certificates ("GICs") with participants in Fidelity Group Plans (the "participants"). The Filer also administers the Fidelity NextStep Program and trades in mutual funds and GICs with the participants in the Fidelity NextStep Program (as described in paragraph 4). Fidelity Group Plans and the Fidelity NextStep Program include both tax-assisted and non tax-assisted capital accumulation plans.

2. The Filer acts as a participating dealer with respect to mutual funds related to the Fidelity Group Plans and the Fidelity NextStep Program, and may in future, assume the role of principal distributor with respect to such funds.

3. A sponsor of the Fidelity Group Plans (generally an employer) establishes a Fidelity Group Plan for the participants and chooses a slate of investment options from which those participants will make their own investment selections. These investment options may include (depending on the sponsor), securities of the employer ("employer stock"), a mutual fund that invests all of its assets in securities of the employer ("employer stock funds"), GICs and mutual funds managed by the Filer's affiliate, Fidelity Investments Canada Limited ("FICL") or third party mutual fund managers. A participant in a Fidelity Group Plan chooses which investments he or she wishes to make with his or her payroll and/or lump sum contributions on the basis of the material provided to the participant by the Filer which includes, in the case of publicly offered mutual funds, the simplified prospectus for those funds. In many cases, the employer makes matching contributions to the participant's investment of choice. Participants are not induced to purchase mutual fund securities or employer stock by expectation of employment or continued employment. These investment decisions are transmitted to the Filer by the participant and the Filer then acts as an order-taker (akin to the services provided by discount brokers) to carry out the trade. In trading in mutual funds, employer stock and GICs, neither the Filer nor any of its salespersons provides investment advice or recommendations to participants in the Fidelity Group Plans or in the Fidelity NextStep Program. Only general investment education is provided.

4. The Fidelity NextStep Program is designed for retired or terminated Fidelity Group Plan participants. When a Fidelity Group Plan participant retires or is terminated, he or she has the option of transferring his or her investments to an account (which may be tax or non-tax assisted) administered in Fidelity's NextStep Program. Once his or her investments are transferred to an account in the Fidelity NextStep Program, the participant will have the option of changing those investments and may choose amongst a slate of investment options, made available by the Filer, which would include mutual funds or GICs. The participant may make additional lump sum contributions. The Filer's role in the Fidelity NextStep Program is similar to its role in connection with the Fidelity Group Plans. The Filer provides no advice or recommendations in respect of the choices made by participants in the Fidelity NextStep Program. The Filer acts as an order taker to carry out the trades instructed by the NextStep Program participants.

5. The Filer is required to be registered as a dealer in the category of mutual fund dealer (or the equivalent) in all the Jurisdictions in order to carry out the trades in mutual fund securities to participants in the Fidelity Group Plans and in the Fidelity NextStep Program. The Filer is a member of the Mutual Fund Dealers Association of Canada ("MFDA") in all Jurisdictions except Quebec.

6. As a member of the MFDA, the Filer is subject to the rules of the MFDA ("MFDA Rules") on an ongoing basis, particularly those with respect to the handling and segregation of client cash. As a member of the MFDA, the Filer is expected to comply with all MFDA Rules and requirements.

7. Over the years, FICL and the Filer obtained exemptive relief from the Decision Makers to allow them to trade in employer stock to participants in Fidelity Group Plans. Since the Filer is registered as a mutual fund dealer in each Jurisdiction and a member of the MFDA in all Jurisdictions except Quebec, it does not need any securities regulatory

exemptions to trade in securities of mutual funds, including the employer stock funds, with participants in the Fidelity Group Plans or the Fidelity NextStep Program.

8. The Filer maintains trust accounts ("Client Trust Accounts") with a major Canadian chartered bank into which all monies invested by or on behalf of plan participants and participants in the Fidelity NextStep Program are paid and from which redemption proceeds or assets to be distributed are paid. These trust accounts are interest bearing and all of the interest earned on the cash in the trust accounts is paid out to the applicable mutual funds on a pro rata basis in compliance with subsection 11.2(4) of NI 81-102 (and that would be required by subsection 11.1(4) were the Filer currently acting as a principal distributor). The Filer also ensures compliance with section 11.3 in the way in which the Client Trust Accounts are maintained.

9. The Client Trust Accounts are each designated as 'trust accounts' by the financial institution at which they are held.

10. Plan sponsors forward to the Filer the vast majority of the monies that are deposited into the Client Trust Accounts. These amounts include payroll and/or lump sum participant contributions and employer matching contributions. These monies are typically deposited into the Client Trust Accounts electronically via wire.

11. The plan sponsors have no means of knowing a participant's investment selections. FRSCo collects and stores this information and processes contributions against these selections. They have retained the Filer to deal with all of the administrative details of the plans and, in any event, there would be privacy issues in the Filer sharing this information with plan sponsors. As a result, the plan sponsors are not in a position to separate the monies they are sending to be invested in mutual funds from monies to be invested in other investments such as GICs. In addition, plan sponsors do not have the systems that would be necessary to provide separate contribution feeds even if they were in possession of this information on the participants' investment decisions. A key service that the Filer provides is to ensure that the amount of money it receives from a plan sponsor is correct and to then allocate it to appropriate investments for participants and maintain the books and records that reflect these investments in the participants' accounts.

12. The Filer does not believe that the interests of its clients will be prejudiced in any way by the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies.

13. The Commingling Prohibitions prevent the Filer from commingling Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies. Prior to June 23, 2006, section 3.3.2(e) of the MFDA Rules ("MFDA Commingling Prohibition") also prohibited the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies. On June 23, 2006, the MFDA granted relief from the MFDA Commingling Prohibition to the Filer subject to the Filer obtaining similar relief from the Commingling Prohibitions from the Jurisdictions. Should the Requested Relief be granted by the Jurisdictions, the Filer will provide the MFDA with notice that the Requested Relief has been granted.

14. In providing its services the Filer utilizes sophisticated systems and is able to account for all of the monies it receives into and all of the monies that are to be paid out of its Client Trust Accounts in order to meet the policy objectives of sections 11.1 and 11.2 of NI 81-102.

15. The Filer will maintain proper records with respect to client cash in a commingled account, and will ensure that all Client Trust Accounts are reconciled, and that Mutual Fund Trust Monies and Non-Mutual Fund Trust Monies are properly accounted for daily.

16. Except for the Commingling Prohibitions, the Filer will comply with all other requirements prescribed in Part 11 of NI 81-102 with respect to the handling and segregation of client cash.

17. Effective July 1, 2005, the MFDA Investor Protection Corporation ("MFDA IPC") commenced offering coverage, within defined limits, to customers of MFDA members against losses suffered due to the insolvency of MFDA members. The Filer does not believe that the Requested Relief will affect coverage provided by the MFDA IPC.

18. In the absence of the Requested Relief, the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies would contravene the Commingling Prohibitions.

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 this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force of any change in the MFDA IPC rules which would reduce the coverage provided by the MFDA IPC relating to Mutual

Fund Client Trust Monies and Non-Mutual Fund Client Trust Monies held in the Client Trust Accounts.

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

2.2 Orders

2.2.1 Constellation Copper Corporation et al. - s. 74

Headnote

Order that section 53 of the Act does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus in accordance with National Instrument 44-101 Short Form Prospectus Distributions for securities to be issued pursuant to an over-allotment option, exercisable after the closing of the offering, granted by the issuer to the underwriters to purchase up to 15% of the securities offered under the offering.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74, 53.
National Instrument 44-101 Short Form Prospectus Distributions.

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

AND

IN THE MATTER OF
CONSTELLATION COPPER CORPORATION

AND

SPROTT SECURITIES INC.,
GMP SECURITIES L.P.,
TD SECURITIES INC. AND
WELLINGTON WEST CAPITAL MARKETS INC.

ORDER
(Section 74)

Background

The Ontario Securities Commission (the Commission) has received an application (the Application) from Constellation Copper Corporation (the Issuer) and Sprott Securities Inc., GMP Securities L.P., TD Securities Inc. and Wellington West Capital Markets Inc. (the Underwriters) for an order pursuant to section 74 of the *Securities Act* (Ontario) (the Act) that section 53 of the Act does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) for securities to be issued pursuant to an over-allotment option, as defined below (the Requested Relief).

Interpretation

In this order,

"over-allotment option" means a right granted to the underwriters by an issuer or a selling security holder 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

"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.

Representations

This order is based on the following facts represented by the Issuer and the Underwriters:

1. the purpose of an over-allotment option is to allow underwriters to conduct market stabilization activities in circumstances where the risk in so doing is protected by the existence of an over-allotment option;

2. over-allotment options are not designed to allow underwriters to sell additional securities after a prospectus has been filed or an underwriting agreement has been signed; and

3. underwriters would not accept the market risk in conducting market stabilization activities without having an over-allotment option.

Order

The Commission is satisfied that the test contained in the Act that provides the Commission with the jurisdiction to make the order has been met.

The decision of the Commission pursuant to section 74 of the Act is that the Requested Relief is granted provided that:

(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,

(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, and

(f) the relief granted will cease to be effective on the date when NI 44-101 is amended to permit solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued pursuant to over-allotment options.

Confidentiality

The further decision of the Commission under the Act is that the Application and this decision shall be held in confidence by the Commission until the occurrence of the earliest of the following:

(a) the date on which a news release is issued by the Issuer announcing that the Issuer has entered into an enforceable agreement with the Underwriters with respect to the purchase of securities to be offered under a short form prospectus, and

(b) the date that is thirty days from the date of this decision.

Dated August 3, 2006

"Cameron McInnis"
Manager, Corporate Finance

2.2.2 Mallory Capital Group, LLC - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
MALLORY CAPITAL GROUP, LLC

ORDER
(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Connecticut. The head office of the Applicant is located in Darien, Connecticut, U.S.A.

2. The Applicant is currently registered as a broker-dealer with the United States Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc.

3. The Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of limited market dealer.

4. The Applicant's primary business activities are trading in securities on a private placement basis, primarily with institutional investors. As a limited market dealer, the Applicant will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions set forth in the Act, Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and National Instrument 45-106 *Prospectus and Registration Exemptions*.

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

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

7. In the absence of this order, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

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

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

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

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

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

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

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

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

   (a) of it ceasing to be registered as a broker-dealer with the United States Securities and Exchange Commission;

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

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

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

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

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

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

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

(a) so advise the Commission; and

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

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

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

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

(a) so advise the Commission; and

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

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

August 11, 2006

"David L. Knight"

"Paul K. Bates"

2.2.3 Connacher Oil and Gas Limited et al. - s. 74

Headnote

Order that section 53 of the Act does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus in accordance with National Instrument 44-101 Short Form Prospectus Distributions for securities to be issued pursuant to an over-allotment option, exercisable after the closing of the offering, granted by the issuer to the underwriters to purchase up to 15% of the securities offered under the offering.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74, 53.
National Instrument 44-101 Short Form Prospectus Distributions.

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

AND

IN THE MATTER OF
CONNACHER OIL AND GAS LIMITED

AND

GMP SECURITIES L.P., D&D SECURITIES COMPANY, JENNINGS CAPITAL INC., RAYMOND JAMES LTD., BOLDER INVESTMENT PARTNERS LTD., OCTAGON CAPITAL CORPORATION AND ORION SECURITIES INC.

ORDER
(Section 74)

Background

The Ontario Securities Commission (the Commission) has received an application (the Application) from Connacher Oil and Gas Limited (the Issuer) and GMP Securities L.P., D&D Securities Company, Jennings Capital Inc., Raymond James Ltd., Bolder Investment Partners Ltd., Octagon Capital Corporation and Orion Securities Inc. (the Underwriters) for an order pursuant to section 74 of the *Securities Act* (Ontario) (the Act) that section 53 of the Act does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) for securities to be issued pursuant to an over-allotment option, as defined below (the Requested Relief).

Interpretation

In this order, "over-allotment option" means a right granted to the underwriters by an issuer or a selling security holder 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

"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.

Representations

This order is based on the following facts represented by the Issuer and the Underwriters:

1. the purpose of an over-allotment option is to allow underwriters to conduct market stabilization activities in circumstances where the risk in so doing is protected by the existence of an over-allotment option;

2. over-allotment options are not designed to allow underwriters to sell additional securities after a prospectus has been filed or an underwriting agreement has been signed; and

3. underwriters would not accept the market risk in conducting market stabilization activities without having an over-allotment option.

Order

The Commission is satisfied that the test contained in the Act that provides the Commission with the jurisdiction to make the order has been met;

The decision of the Commission pursuant to section 74 of the Act is that the Requested Relief is granted provided that:

(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,

(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, and

(f) the relief granted will cease to be effective on the date when NI 44-101 is amended to permit solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued pursuant to over-allotment options.

Confidentiality

The further decision of the Commission under the Act is that the Application and this decision shall be held in confidence by the Commission until the occurrence of the earliest of the following:

(a) the date on which a news release is issued by the Issuer announcing that the Issuer has entered into an enforceable agreement with the Underwriters with respect to the purchase of securities to be offered under a short form prospectus, and

(b) the date that is thirty days from the date of this decision.

August 10, 2006

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1. OSC Decisions, Orders and Rulings

3.1.1 Graham Desson

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S. 5, as amended;

IN THE MATTER OF
THE STATUTORY POWERS PROCEDURE ACT,
R.S.O. 1990, c. S. 22, as amended;

AND

IN THE MATTER OF
GRAHAM DESSON

SETTLEMENT AGREEMENT BETWEEN THE
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND GRAHAM DESSON

I. INTRODUCTION

1. Pursuant to section 5(1) of the "Practice Guidelines – Settlement Procedures in Matters before the Ontario Securities Commission" of the Ontario Securities Commission Rules of Practice, Staff of the Ontario Securities Commission and Graham Desson ("Desson") propose to settle the matters described below on the terms set out herein.

II. STATEMENT OF FACTS

Acknowledgment

2. Solely for the purposes of this settlement agreement and for no other purpose, Staff and Desson agree with the facts and conclusions set out in paragraphs 1 to 17 of this agreement.

Facts

3. OntZinc Corporation ("OntZinc") is a mining company incorporated under the Ontario *Business Corporations Act* with its head office in Toronto, Ontario. At the time of the events referred to herein, OntZinc was a reporting issuer whose shares were listed on the TSX Venture Exchange.

4. Desson is a Chartered Accountant in Ontario. He was hired by OntZinc as a consultant on accounting issues to OntZinc through 2004, when the company was involved in negotiating the acquisition of Hudson Bay Mining and Smelting Co. Ltd. ("HBMS").

5. On March 24, 2004, OntZinc entered into a confidentiality agreement with Anglo American plc ("Anglo") respecting the potential sale of the assets of HBMS to OntZinc.

6. In April 2004, OntZinc received a Confidential Information Memorandum from RBC Capital Markets, Anglo's financial advisors. On May 5, 2004, OntZinc's Board of Directors approved a non-binding proposal to acquire HBMS which was submitted to RBC the following day.

7. On May 15, 2004, OntZinc was informed by RBC that they had been selected to continue in the acquisition process. OntZinc engaged legal counsel, financial advisors, and geological consultants. The financial advisors were Credit Suisse First Boston ("CSFB").

8. On July 20, 2004, OntZinc submitted a binding acquisition proposal to RBC.

9. On September 17, 2004, OntZinc received verbal notification that they would negotiate exclusively with Anglo from that point.

10. On October 7, 2004, OntZinc and Anglo signed the Purchase Sale Agreement for the assets of HBMS pending shareholder approval. This agreement was publicly disclosed on October 8, 2004. Trading was halted on this date prior to the announcement. On October 18, 2004, trading in OntZinc resumed.

11. Desson began as a consultant to OntZinc in or about March 2004. He was aware that Ontzinc was involved in the potential acquisition of HBMS. He became involved in the acquisition during the due diligence process and looked after the accounting due diligence conducted on HBMS, but this activity ceased in or about early June 2004. Desson was not involved in nor was he aware of the details of further negotiations between OntZinc and Anglo.

12. On September 23, 2004, Desson was told that OntZinc had received word that it would negotiate exclusively with Anglo from that point. As of September 30, 2004, this fact was not publicly announced. However, from Desson's standpoint, there were still substantial uncertainties as to whether any transaction could be consummated.

13. On September 30, 2004, OntZinc issued a press release regarding the completion of a private placement. Desson considered this to be a positive development and decided to add to his existing holdings of OntZinc after this announcement was made. Desson considered it prudent to check with OntZinc's senior officers to see if there was any impediment to his acquiring OntZinc stock at that time. He was told there was no such impediment.

14. Based on his conversation with senior executives of OntZinc, Desson believed that it would not be improper for him to purchase shares in the company.

15. In the circumstances described in paragraphs 1 to 14, on September 30, 2004, Desson purchased 100,000 shares of OntZinc at approximately .06¢ per share. The "profit made" on the 100,000 shares was $8,360.00. "Profit made" is a term defined in the Act as the amount by which the average price of the security in the twenty trading days following general disclosure of the material fact or the material change exceeds the amount paid for the security purchased. It does not, in the circumstances of this case, equate to the amount by which Desson "profited" by the purchase of the OntZinc securities. In purchasing the OntZinc securities, Desson did not intend to take improper advantage of any information he had about Ontzinc's interest in and efforts to acquire HBMS. The full extent of Desson's trading activity in Ontzinc in 2004 is set out in Schedule A.

Desson's Conduct

16. Desson purchased the OntZinc's shares at a time when he was in a special relationship with OntZinc while possessed of undisclosed material information. The undisclosed material information was the potential acquisition of HBMS. Desson believed that it would not be inappropriate for him to purchase OntZinc shares at the time based on advice he received from senior executives at OntZinc. He acknowledges, however, that he did purchase the shares while possessed of the undisclosed material information.

17. Desson has cooperated with staff throughout this investigation.

III. TERMS OF SETTLEMENT

18. Desson agrees to the following settlement terms:

    a. payment of $16,720.00 payable to the Ontario Securities Commission for the benefit of the third parties;

    b. payment in the amount of $5,000 toward to the cost of investigation of this matter;

    c. for the next 12 months, Desson undertakes not to trade in any securities of any company to which Desson provides accounting services unless he receives prior written confirmation from in-house counsel of a company to which he acts as a consultant; and

    d. that he comply with Ontario securities law.

IV. STAFF COMMITMENT

19. If this Settlement receives the consent of the Executive Director, and Desson satisfies the terms set out above, Staff will not initiate any other proceedings under the Act against Desson in relation to the facts set out in Part II of this Settlement Agreement.

20. If this Settlement receives the consent of the Executive Director, and at any subsequent time Desson fails to honour the terms of this Settlement Agreement, Staff reserve the right to refer to this Settlement Agreement in any future proceeding.

V. APPROVAL OF SETTLEMENT

21. If, for any reason whatsoever, the Executive Director does not consent to this Settlement:

(a) this Settlement Agreement and its terms, including all discussions and negotiations between Staff and Desson leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Desson;

(b) Staff and Desson shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of these matters before the Commission, unaffected by this Settlement Agreement or the settlement discussions/negotiations; and

(c) the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and Desson or as may be required by law.

VI. DISCLOSURE OF SETTLEMENT AGREEMENT

22. This Settlement Agreement and its terms will be treated as confidential by Staff and Desson until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Desson, or as may be required by law.

23. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.

24. Staff and Desson agree that if the Executive Director does consent to this Settlement, they will not make any public statement inconsistent with this Settlement Agreement.

VII. EXECUTION OF SETTLEMENT AGREEMENT

25. Desson hereby acknowledges and agrees that he has obtained or waived legal advice in connection with this Settlement Agreement and acknowledges that he understands and voluntarily accepts and agrees to the terms set out herein.

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

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

DATED this "15th" day of June, 2006

"Graham Desson"

_____ _____

Witness **Graham Desson**

DATED this "15th" day of June, 2006

STAFF OF THE ONTARIO
SECURITIES COMMISSION

"Michael Watson"

(Per) _____

MICHAEL WATSON
Director, Enforcement Branch

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

DATED this "3rd" day of August, 2006

"M.M. Dowdall-Logie"

MARGARET M. DOWDALL-LOGIE
Executive Director

SCHEDULE A

Trading Activity in Shares of Ontzinc Corporation – 2004

Date	# of shares Purchased	Sold	Cumulative	Price	Cost (excl. commission)
June 11	50,000		50,000	$ 0.100	$ 5,000
Sept. 30	98,000		148,000	$ 0.060	$ 5,880
Sept. 30	2,000		150,000	$ 0.055	$ 110
Oct. 18	50,000		200,000	$ 0.105	$ 5,250
Oct. 22	100,000		300,000	$ 0.140	$ 14,000
Dec. 1		50,000	250,000	$ 0.110	$ 5,500
Dec. 1		44,500	205,500	$ 0.110	$ 4,895
Dec. 7*		55,500	150,000	$ 0.110	$ 6,105

* under order dated Dec. 1

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Blake River Explorations Ltd.	01 Aug 06	11 Aug 06	11 Aug 06	
Canadian Manoir Industries Limited	10 Aug 06	22 Aug 06		
Cogient Corp.	10 Aug 06	22 Aug 06		
Perial Ltd.	02 Aug 06	14 Aug 06	14 Aug 06	
Teddy Bear Valley Mines, Limited	15 Aug 06	25 Aug 06		

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
TECSYS Inc.	02 Aug 06	15 Aug 06	15 Aug 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		
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		
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		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
TECSYS Inc.	02 Aug 06	15 Aug 06	15 Aug 06		

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
06/14/2006 to 07/20/2006	10	0755748 B.C. Ltd. - Units	2,000,000.00	5,000,000.00
07/31/2006	8	1208640 Alberta Ltd. - Common Shares	280,000.00	4,000,000.00
07/26/2006	17	32 Degrees Energy Fund III Limited Partnership - Units	3,960,000.00	792.00
08/08/2006	1	AADCO Automotive Inc. - Debentures	200,000.00	200,000.00
07/31/2006	1	ABC American -Value Fund - Units	150,000.00	19,816.63
07/31/2006	3	ABC Dirt Cheap Stock Fund - Units	451,500.00	45,996.33
07/31/2006	3	ABC Fundamental - Value Fund - Units	450,000.00	21,244.75
07/28/2006	2	Agincourt Resources Limited - Common Shares	4,347,722.00	43,556,522.00
08/02/2006	1	Airesurf Networks Holdings Inc. - Units	4,000.00	40,000.00
08/01/2006	2	Airline Intelligence Systems Inc. - Common Shares	324,000.00	135,000.00
07/28/2006	56	Alpha Gold Corp - Common Shares	1,399,690.00	3,499,225.00
07/04/2006	3	AMADOR GOLD CORP. - Common Shares	8,250.00	50,000.00
07/31/2006	17	Austin Developments Corp. - Units	871,400.00	5,809,333.00
07/21/2006	1	BAM Investments Corp - Common Shares	426,957,323.52	2,507,973.00
07/31/2006	9	Benton Resources Corp. - Units	553,460.00	N/A
08/01/2006	7	BIOX Corporation - Common Shares	50,000,000.00	2,000,000.00
07/25/2006	48	Canoro Resources Ltd. - Units	30,034,799.00	29,160,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
07/28/2006	258	Capella Resources Ltd. - Units	3,980,325.32	5,378,818.00
07/25/2006	14	CareVest Blended Mortgage Investment Corporation - Preferred Shares	341,404.00	341,404.00
07/25/2006 to 07/27/2006	28	CareVest First Mortgage Investment Corporation - Preferred Shares	1,626,655.00	1,626,655.00
08/03/2006	1	Cathay Oil & Gas Ltd. - Common Shares	100,000.00	100,000.00
02/07/2006	35	Century Oilfield Services Inc. - Common Shares	38,795,750.00	11,084,500.00
07/27/2006	16	CI Energy Ltd. - Flow-Through Shares	4,000,002.00	2,666,668.00
07/31/2006	2	Citadel Gold Mines Inc. - Preferred Shares	13,337,231.00	1,333,723.00
08/09/2006	1	Clairvest Equity Partners III Limited Partnership - LP Units	10,000,000.00	10,000.00
07/26/2006	1	Cleveland BioLabs Inc. - Common Shares	341,340.00	50,000.00
07/27/2006	5	Columbia Yukon Explorations Inc. - Flow-Through Shares	2,220,900.00	3,701,500.00
07/31/2006	133	Committee Bay Resources Ltd. - Flow-Through Shares	7,999,490.10	5,000,000.00
08/11/2006	1	Cooper Pacific II Mortgage Investment Corporation - Common Shares	25,000.00	25,000.00
08/10/2006	1	Credit Suisse (USA) Inc. - Notes	1,121,832.08	1,000.00
07/31/2006	1	Creststreet Energy Hedge Fund L.P. - LP Units	925,000.00	73,391.15
07/26/2006	2	Creststreet Windpower Development (II) LP - LP Units	225,000.00	22,500.00
07/20/2006	4	Currency Capital Corp. - Common Shares	20,000.00	5,000.00
07/21/2006	2	Dentonia Resources Ltd. - Units	345,000.00	2,300,000.00
07/20/2006	22	Deutsche Bank Aktiengesellschaft - Notes	303,890,560.00	304,000,000.00
07/27/2006	1	East West Resource Corporation - Common Shares	11,000.00	100,000.00
07/28/2006	2	Ecofin Special Situation Utilities Fund Limited - Units	562,750.00	5,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
08/01/2006	1	Encore Trust - Notes	65,000,000.00	65,000,000.00
07/26/2006	24	Endeavour Silver Corp. - Warrants	5,004,000.00	1,112,000.00
07/31/2006	2	Erie Shores Wind Farm Limited Partnership - Notes	120,000,000.00	N/A
07/10/2006 to 07/20/2006	171	FI Income Trust - Trust Units	3,209,850.00	3,209,850.00
07/04/2006 to 07/24/2006	2	First Leaside Expansion Limited Partnership - LP Interest	125,000.00	125,000.00
07/05/2006	1	First Leaside Fund - Trust Units	225,663.00	203,300.00
07/24/2006 to 08/02/2006	62	Fisgard Capital Corporation - Common Shares	1,696,000.70	1,156,438.00
06/30/2006	12	Flatiron Trust - Trust Units	3,060,750.00	1,882.00
07/28/2006	45	Fluid Audio Network, Inc. - Preferred Shares	2,156,000.00	1,078,000.00
07/26/2006	1	Forest Gate Resources Inc. - Flow-Through Shares	120,000.00	387,096.00
07/24/2006 to 07/28/2006	17	General Motors Acceptance Corporation of Canada, Limited - Notes	5,077,479.67	5,077,479.69
07/31/2006 to 08/04/2006	21	General Motors Acceptance Corporation of Canada, Limited - Notes	6,394,753.38	6,694,753.38
07/09/2006 to 08/03/2006	2	Giraffe Capital Limited Partnership - LP Units	600,000.00	432.34
08/03/2006	1	Giraffe Capital Limited Partnership III - LP Units	200,000.00	2,356.69
08/02/2006	1	GMO World Opportunities Equity Allocation Fund - Units	15,952,550.85	618,927.90
03/22/2006	238	Graham Business Trust - Units	13,707,437.50	2,268.75
03/22/2006	238	Graham Income Trust - Units	308,900.00	2,268.75
04/25/2006	16	Grenville Gold Corporation - Units	300,000.00	1,500,000.00
07/31/2006	34	Greyhawke Resources Ltd. - Flow-Through Shares	2,975,000.00	1,190,000.00
07/31/2006	2	GS International Infrastructure Partners I, LP - LP Interest	11,309,000.00	11,309,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
07/25/2006	1	Hedgeforum Single Manager Platform - Units	284,450.00	250.00
08/01/2006	63	Holloway Lodging Real Estate Investment Trust - Debentures	3,899,000.00	20,238,000.00
08/01/2006	62	Holloway Lodging Real Estate Investment Trust - Units	44,844,196.00	9,965,377.00
07/31/2006 to 08/04/2006	6	Hyperion Technologies Inc. - Debentures	200,000.00	N/A
07/28/2006	2	H&E Equipment Services Inc. - Notes	1,698,000.00	1,500.00
03/17/2006	27	iCO Therapeutics Inc. - Common Shares	630,250.40	787,813.00
07/24/2006 to 07/28/2006	5	IGW Properties Limited Partnership I - LP Units	441,000.00	315,000.00
08/03/2006	19	ImmunoVaccine Technologies Inc. - Common Shares	925,000.00	971,250.00
08/04/2006	28	International Tower Hill Mines Ltd. - Common Shares	4,479,842.08	7,999,718.00
08/04/2006	28	International Tower Hill Mines Ltd. - Common Shares	6,999,506.50	5,599,605.00
07/28/2006	1	Japan Airlines Corporation - Common Shares	99,196,110.18	4,500,000.00
08/02/2006	1	Khan Resources Inc. - Units	2,500,500.00	1,667,000.00
08/03/2006	3	KidsFutures Inc. - Debentures	1,392,394.72	1,849,000.00
07/31/2006	8	Kingwest Canadian Equity Portfolio - Units	1,212,800.00	107,356.89
08/04/2006	40	Klondike Silver Corp. - Flow-Through Shares	3,104,000.00	3,860,000.00
07/25/2006 to 08/02/2006	20	Largo Resources Ltd. - Common Shares	1,005,000.00	N/A
07/31/2006	38	Lexam Explorations Inc. - Units	4,400,000.00	8,800,000.00
01/06/2006	1	Liquid Computing Corporation - Debentures	1,036,813.78	1.00
03/02/2006	108	Madalena Ventures Inc. - Common Shares	6,000,000.00	12,000,000.00
08/01/2006	1	Magenta Mortgage Investment Corporation - Common Shares	50,000.00	50,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
06/07/2006	1	Manicouagan Minerals Inc. - Common Shares	110,000.00	500,000.00
07/26/2006	108	Maskal Energy Inc. - Flow-Through Shares	1,355,500.00	N/A
08/10/2006	1	Mavrix Small Cap Fund - Units	11,043.00	588.02
06/26/2006	4	McLearn Resources Inc. - Common Shares	28,500.00	285,000.00
12/20/2005 to 07/05/2006	2	Mellon Pooled International Core Equity Fund - Units	64,635,096.30	6,025,204.28
04/28/2006	96	Metalex Ventures Ltd. - Flow-Through Shares	12,991,899.20	10,570,571.00
07/17/2006	29	Metrobridge Networks Corporation - Units	451,300.30	820,546.00
07/31/2006	1	MidOcean Partners III-A, LP - LP Interest	113,190,000.00	226,380,000.00
08/04/2006	50	MineralFields 2006-II Super Flow-Through Limited Partnership - LP Units	1,698,000.00	16,980.00
07/18/2006	115	Mirage Energy Ltd. - Units	3,914,500.00	7,829,000.00
07/28/2006	1	Mitsui Trust Holdings Inc. - Common Shares	2,977,500.00	80,930,000.00
07/21/2006	12	MODASolutions Corporation - Preferred Shares	11,000,000.00	12,535,511.00
07/28/2006	74	Mountain Power Inc. - Units	1,618,000.00	4,045,000.00
08/01/2006	1	MxEnergy Holdings Inc. - Notes	3,378,900.00	3,000.00
08/03/2006	1	Neilson Finance LLC/Neilson Finance Co. - Notes	3,231,278.05	1,500.00
07/26/2006	1	Nevada Star Resource Corp. - Common Shares	19,500.00	50,000.00
07/28/2006 to 08/08/2006	5	New Solutions Financial (II) Corporation - Debentures	500,000.00	6.00
07/31/2006	1	NexGen Financial Limited Partnership - Debentures	1,263.16	1,263.16
01/01/2005 to 12/31/2005	73	Nexus North American Balanced Fund - Units	7,520,365.34	573,395.20
01/01/2005 to 12/31/2005	27	Nexus North American Equity Fund - Units	4,411,071.30	328,477.37

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/01/2005 to 12/31/2005	104	Nexus North American Income Fund - Units	24,103,638.30	2,256,661.11
07/24/2006	4	Normabec Mining Resources Ltd. - Flow-Through Shares	1,000,000.00	2,631,579.00
07/25/2006 to 07/26/2006	48	Northern Sun Exploration Company Inc. - Flow-Through Shares	3,124,444.00	5,680,811.00
07/25/2006 to 07/26/2006	16	Northern Sun Exploration Company Inc. - Non-Flow Through Units	1,250,000.00	2,500,000.00
08/02/2006	10	NOVX Systems Inc. - Preferred Shares	4,503,600.00	1,896,194.00
07/21/2006	28	Nufcor Uranium Limited - Common Shares	128,000,000.00	29,700,000.00
08/01/2006	1	Opus Trust - Notes	250,000,000.00	25,000,000.00
07/19/2006 to 07/26/2006	69	Oriental Minerals Inc. - Units	1,400,000.00	14,000,000.00
07/25/2006	6	Pacrim Dieppe Limited Partnership - LP Units	325,000.00	325.00
07/31/2006	80	Pavilion Energy Corp. - Non-Flow Through Units	3,527,500.00	2,085,000.00
07/24/2006	1	PharmAthene Canada, Inc. - Notes	2,231,000.00	1.00
07/27/2006	4	Plasco Energy Group Inc. - Common Shares	8,900,000.00	1,780,000.00
07/31/2006	19	Plazacorp Retail Properties Ltd. - Debentures	1,103,000.00	1,103.00
07/26/2006 to 07/31/2006	10	Powertree Limited Partnership 2 - LP Units	110,000.00	22.00
08/01/2006	33	Promittere Retirement Trust - Units	1,106,000.00	1,029,032.80
08/04/2006	11	Publishing and Broadcasting (Finance) Limited - Bonds	150,000,000.00	150,000,000.00
07/31/2006	4	Puma Exploration Inc. - Units	750,000.00	2,272,727.00
07/31/2006	1	Quorum Funding Corporation - Debentures	500,000.00	500,000.00
03/31/2006	24	Quorum Secured Equity Trust - Trust Units	2,014,434.13	20,632.23
08/03/2006	2	Qwest Corporation - Notes	1,690,500.00	1,500.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/21/2006	36	Red Mile Resources Fund LP No. 3 - LP Units	12,622,896.00	11,034.00
05/15/2006	4	Red Mile Resources Fund LP No. 3 - LP Units	672,142.00	1,147.00
06/13/2006	5	Red Mile Resources Fund LP No. 3 - LP Units	7,610,700.00	6,618.00
07/13/2006	3	Ressources Minieres Aguyva Inc. - Common Shares	1,210,000.00	1,100,000.00
07/12/2006 to 07/31/2006	11	Richardson Capital Private Equity Limited Partnership No. 2A - LP Interest	314,199,812.00	N/A
07/12/2006 to 07/31/2006	11	Richardson Capital Private Equity Limited Partnership No. 2B - LP Interest	158.00	N/A
07/12/2006 to 07/31/2006	32	Richardson Capital Private Equity Limited Partnership No. 2C - LP Interest	301,745,000.00	N/A
07/26/2006	7	Romios Gold Resources Inc. - Units	207,701.70	692,339.00
08/01/2006	91	Romspen Mortgage Investment Fund - Units	4,994,360.00	499,436.00
07/26/2006	4	Ross River Minerals Inc. - Common Shares	20,000.00	125,000.00
07/28/2006	288	RPFL- Richardson Capital Private Equity Limited Partnership No. 2 - LP Units	92,150,000.00	1,843.00
07/27/2006	3	Sagard II-A - Common Shares	577,720,000.00	3,992,000.00
07/28/2006	61	Sargold Resource Corporation - Units	3,150,000.00	17,500,000.00
07/04/2006	84	Saturn Minerals Inc. - Common Share Purchase Warrant	1,000,500.00	5,002,500.00
08/01/2006	2	Security Capital Assurance Ltd. - Common Shares	20,793,150.00	900,000.00
06/29/2006	64	Sedex Mining Corp. - Flow-Through Shares	1,032,800.00	6,243,666.00
08/03/2006	64	Sedex Mining Corp. - Flow-Through Shares	1,048,450.00	5,534,663.00
07/28/2006	8	Sidetrack Technologies Inc. - Common Shares	108,000.00	10,800.00
07/25/2006	19	Simcoe Development Fund Limited Partnership - LP Units	1,425,000.00	1,180.00
08/03/2006	1	SMART Trust - Notes	3,016,157.93	1.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
07/27/2006	1	SMART Trust - Notes	1,242,308.07	1.00
07/24/2006	24	Solara Exploration Ltd. - Debentures	606,000.00	606.00
07/28/2006	21	Sonomax Hearing Healthcare Inc. - Common Shares	910,000.00	4,550,000.00
08/01/2006	1	Stacey RSP Fund - Trust Units	20,000.00	2,106.24
07/28/2006	7	Strike Petroleum Ltd. - Flow-Through Shares	1,878,150.00	1,633,174.00
07/31/2006	1	TD Harbour Capital Canadian Balanced Fund - Trust Units	135,564.10	974.72
07/31/2006	5	TD Harbour Capital Commodity Fund - Trust Units	585,000.00	5,798.39
08/02/2006	1	TeleWatch Monitoring Services Inc. - Debentures	500,000.00	1.00
07/21/2006	77	Temple Energy Inc. - Common Shares	15,767,750.00	6,307,100.00
07/24/2006	22	Terrane Metals Corp. - Common Shares	2,000,250.00	4,305,000.00
07/24/2006	98	Terrane Metals Corp. - Units	5,130,000.00	13,500,000.00
08/03/2006	2	TFS Acquisition Corporation/Textron Fastening Systems - Notes	4,963,896.00	4,500.00
07/31/2006	4	The McElvaine Investment Trust - Trust Units	38,236.82	1,462.92
08/09/2006	1	Tiomin Resources Inc. - Common Shares	0.00	5,000,000.00
07/31/2006	1	Tiomin Resources Inc. - Warrants	0.00	N/A
07/31/2006	36	Titan Trading Analytics Inc. - Units	796,905.00	2,276,868.00
06/01/2006	11	Tower Energy Ltd. - Common Shares	220,000.00	800,000.00
07/19/2006	14	Trivello Energy Corp. - Units	184,000.00	669,091.00
07/27/2006	6	TrueContext Corporation - Units	2,269,000.00	N/A
07/26/2006	2	Tsuu T'ina Gaming Limited Partnership - Debentures	50,000,000.00	1.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
07/27/2006	67	Uracan Resources Ltd. - Common Shares	2,000,000.00	5,000,000.00
07/27/2006	42	Uracan Resources Ltd. - Flow-Through Shares	1,394,100.00	3,060,000.00
07/31/2006	1	Value Partners Investments Inc. - Common Shares	10,000.00	3,690.00
08/01/2006	1	van Biema Value Fund Ltd - Common Shares	97,712,520.00	87,000.00
08/02/2006	21	View 22 Technology Inc. - Units	3,197,500.00	4,567,857.00
08/01/2006	43	W3 Solutions Inc. - Units	600,000.00	12,000,000.00
07/26/2006	1	WALLBRIDGE MINING COMPANY LIMITED - Units	80,000.00	250,000.00
07/31/2006	164	Whitemud Resources Inc. - Common Shares	10,251,000.00	2,050,200.00
07/12/2006 to 07/19/2006	4	Wimberly Apartments Limited Partnership - LP Units	3,580,079.00	660,280.00
07/19/2006 to 07/24/2006	4	Wimberly Apartments Limited Partnership - Notes	668,280.00	668,280.00
07/04/2006	1	Wimberly Apartments Limited Partnership - Notes	500,000.00	500,000.00
06/30/2006	2	Wimberly Apartments Limited Partnership - Notes	181,365.00	160,500.00
07/31/2006	17	Yukon Zinc Corporation - Flow-Through Shares	3,000,000.00	10,000,000.00
07/31/2006	50	Yukon Zinc Corporation - Units	2,000,000.00	8,000,000.00
08/04/2006	2	Zounds Inc. - Preferred Shares	55,910.00	80,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
All - Canadian Resources Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 9, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
All - Canadian Management Inc
Promoter(s):
All-Canadian Management Inc.
Project #973709

Issuer Name:
Central Fund of Canada Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
US$ 250,000,000.00 - Non-voting, fully-participating Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #976964

Issuer Name:
CONSTELLATION COPPER CORPORATION
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated August 9, 2006
Mutual Reliance Review System Receipt dated August 9, 2006
Offering Price and Description:
$20,000,025.00 - 8,888,900 Common Shares Price: $2.25 per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
TD Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #973625

Issuer Name:
Energy Split Corp. Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$ * - * CLASS B PREFERRED SHARES PRICE: $ * per CLASS B PREFERRED SHARE
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
TD Securities Inc.
Promoter(s):
-
Project #974320

Issuer Name:
First Nickel Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 11, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
$10,000,000.00 - * Units, each comprised of One Common Share and One Common Share Purchase Warrant Price: $ * per Unit
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
MGI Securities Inc.
Raymond James Ltd.
Promoter(s):
MPH Consulting Ltd.
Project #976190

Issuer Name:
Lorus Therapeutics Inc.
Type and Date:
Preliminary Short Form Prospectus dated August 11, 2006
Receipted on August 14, 2006
Offering Price and Description:
$10,368,000.00 - 28,800,000 Common Shares Price: $0.36 per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #975786

Issuer Name:
MACCs Sustainable Yield Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 11, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
Warrants to Subscribe for up to * Units Subscription Price: $ * per Unit (Upon the exercise of one Warrant for one Unit)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #975615

Issuer Name:
NCE Diversified Flow-Through (06-2) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 11, 2006
Mutual Reliance Review System Receipt dated August 11, 2006
Offering Price and Description:
$65,000,000.00 (Maximum Offering); $10,000,000.00 (Minimum Offering) A maximum of 2,600,000 and a minimum of 400,000 Limited Partnership Units Subscription Price: $25 per Unit Minimum Subscription: 200 Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Jory Capital Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
-
Project #975247

Issuer Name:
Newport Acquisitions Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated August 8, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$300,000.00 - 3,000,000 COMMON SHARES Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
George Luinck
Don Coons
Doug Campbell
Project #973687

Issuer Name:
Sarbit Canadian Bond Trust
Sarbit Money Market Trust
Sarbit Real Return Bond Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Simplified Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
Mutual Fund Units, Class F Units and Class I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sarbit Asset Management Inc.
Project #977178

Issuer Name:
Sentry Select Diversified Income Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 11, 2006
Mutual Reliance Review System Receipt dated August 11, 2006
Offering Price and Description:
$250,000,000.00 - * Units Exchange Offer
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
-
Project #975317

Issuer Name:
Teck Cominco Limited
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated August 15, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
C$5,725,000,000.00 - * Class B Subordinate Voting Shares
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
TD Securities Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #977634

Issuer Name:
World Energy Solutions, Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary PREP Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
$ * - * Shares of Common Stock Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Promoter(s):
Richard Domaleski
Project #976399

Issuer Name:
Addax Petroleum Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 9, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
CDN$354,250,000.00 - 13,000,000 Subscription Receipts, each representing the right to receive one Common Share Price: CDN$27.25 per Subscription Receipt
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
UBS Securities Canada Inc.
BNP Paribas (Canada) Securities Inc.
FirstEnergy Capital Corp.
Canaccord Capital Corporation
Peters & Co. Limited
Promoter(s):
The Addax and Oryx Group Ltd.
Project #970267

Issuer Name:
AIM Trimark Canadian Dollar Cash Management Fund
AIM Trimark U.S. Dollar Cash Management Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated August 11, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
Series I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #959954

Issuer Name:
Allied Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 9, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$32,300,000.00 - 1,900,000 Units Price: $17.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
TD Securities Inc.
Canaccord Capital Corporation
Genuity Capital Markets
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #970465

Issuer Name:
Australian Solomons Gold Limited
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated August 11, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Dundee Securities Corporation
Paradigm Capital Inc.
Promoter(s):
-
Project #949389

Issuer Name:
Canadian Apartment Properties Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 15, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
$60,333,000.00 - 3,570,000 Units Price: $16.90 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Promoter(s):
-
Project #971066

Issuer Name:
Canetic Resources Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 15, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
$400,029,000.00 - 18,060,000 Subscription Receipts, each representing the right to receive one trust unit; and $200,000,000.00 - 6.5% Convertible Extendible Unsecured Subordinated Debentures Subscription Receipts
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Raymond James Ltd.
Tristone Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #972271

Issuer Name:
Creststreet Power & Income Fund LP
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 11, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Acumen Capital Finance Partners Limited
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #970892

Issuer Name:
Crew Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$25,002,000.00 - 1,666,800 Common Shares; and $15,000,125.00 - 759,500 Flow-Through Shares Price: $15.00 per Common Share; and $19.75 per Flow-Through Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Orion Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.
GMP Securities L.P.
TD Securities Inc.
Peter & Co. Limited
Raymond James Ltd.
MGI Securities Inc.
Promoter(s):
-
Project #970919

Issuer Name:
Dia Bras Exploration Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 11, 2006
Offering Price and Description:
$9,100,000.00 - 13,000,000 Common Shares Price: $0.70 per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Paradigm Capital Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #966459

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 4, 2006
Mutual Reliance Review System Receipt dated August 9, 2006
Offering Price and Description:
Maximum Offering: $2,000,000.00 (5,000,000 Common Shares); Minimum Offering: $600,000.00 (1,500,000 Common Shares) $0.40 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Scott C. Kellaway
Project #961670

Issuer Name:
Gabriel Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 8, 2006
Mutual Reliance Review System Receipt dated August 9, 2006
Offering Price and Description:
$85,050,000.00 - 27,000,000 Common Shares Price: $3.15 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Sprott Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Dundee Securities Corporation
Orion Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #969520

Issuer Name:
Harvest Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$200,102,500.00 - 6,110,000 Trust Units Price: $32.75 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Tristone Capital Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Promoter(s):
-
Project #970555

Issuer Name:
KJH Capital Preservation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 15, 2006
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
K.J. Harrison & Partners Inc.
Promoter(s):
-
Project #962066

Issuer Name:
Legg Mason T-Plus Fund
Legg Mason Canadian Index Plus Bond Fund
Legg Mason Canadian Active Bond Fund
Legg Mason Accufund
Legg Mason Diversifund
Legg Mason Canadian Core Equity Fund
Legg Mason North American Equity Fund
Legg Mason Canadian Small Cap Fund
(formerly Legg Mason Canadian Growth Equity Fund)
Legg Mason Brandywine Fundamental Value U .S. Equity Fund
Legg Mason Batterymarch U .S. Equity Fund
Legg Mason U.S. Value Fund
Legg Mason Brandywine International Equity Fund
(formerly Legg Mason International Equity Fund)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 31, 2006 to the Simplified Prospectuses dated October 20, 2005
Mutual Reliance Review System Receipt dated August 9, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Legg Mason Canada Inc.
Promoter(s):
Legg Mason Canada Inc.
Project #831243

Issuer Name:
Niko Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$126,500,000.00 - 2,000,000 COMMON SHARES Price: $63.25 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Orion Securities Inc.
Sprott Securities Inc.
Wellington West Capital Markets Inc.
Maison Placements Canada Inc.
Promoter(s):
-
Project #970581

Issuer Name:
OutdoorPartner Media Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 11, 2006
Offering Price and Description:
$10,000,000.00 - 14,285,715 Subscription Receipts, each representing the right to receive one common share Price: $0.70 per Subscription Receipt
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Genuity Capital Markets G.P.
Wellington West Capital Markets Inc.
M Partners Inc.
Promoter(s):
-
Project #964664

Issuer Name:
PROGRESS ENERGY TRUST
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
$75,000,000.00 - 6.25% Convertible Unsecured Subordinated Debentures Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
Peters & Co. Limited
RBC Dominion Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Tristone Capital Inc.
Promoter(s):
-
Project #971786

Issuer Name:
Silverwing Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
Minimum: $10,000,000.00 in Units and Flow-through Shares; Maximum: $28,000,000.00 in Units and Flow-through Shares Price: $2.00 per Unit and $2.50 per Flow-through Share
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Orion Securities Inc.
FirstEnergy Capital Corp.
Acumen Capital Finance Partners Limited
Promoter(s):
Terry O'Connor
Oleh Wowkodaw
Project #945758

Issuer Name:
TD Private Canadian Strategic Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 4, 2006 to the Simplified Prospectus and Annual Information Form dated April 17, 2006
Mutual Reliance Review System Receipt dated August 9, 2006
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
TD Asset Management Inc.
Project #899964

Issuer Name:
Ur-Energy Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 14, 2006
Mutual Reliance Review System Receipt dated August 14, 2006
Offering Price and Description:
$16,500,000.00 - 7,500,000 Common Shares Price: $2.20 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Dundee Securities Corporation
Raymond James Ltd.
Promoter(s):
-
Project #972014

Issuer Name:
Vasogen Inc.
Type and Date:
Amended and Restated Short Form Shelf Prospectus dated August 11, 2006
Receipted on August 11, 2006
Offering Price and Description:
55,000,0001 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #849919

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 10, 2006
Mutual Reliance Review System Receipt dated August 10, 2006
Offering Price and Description:
$8,000,000.00 - 6,400,000 Common Shares Price: $1.25 per Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Wellington West Capital Markets Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #970451

Issuer Name:
Sarku Japan Restaurants Income Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated June 1st, 2006
Withdrawn on August 15th, 2006
Offering Price and Description:
C$ * * Units Price C$10.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Promoter(s):
Edjar Holdings Inc.
Project #951299

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	T.I.P. Wealth Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	August 9, 2006
New Registration	Retire First Ltd.	Investment Dealer	August 9, 2006
Change of Category of Registration	Novadan Capital Limited	**From:** Limited Market Dealer and Investment Counsel & Portfolio Manager **To:** Limited Market Dealer	August 10, 2006
New Registration	Hamilton Lane Richcourt Advisors LLC	International Adviser (Investment Counsel and Portfolio Manager)	August 10, 2006
New Registration	Wentworth, Hauser and Violich, Inc.	International Adviser (Investment Counsel and Portfolio Manager)	August 15, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Contingency Services

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

TECHNICAL AMENDMENTS TO CDS PROCEDURES

CONTINGENCY SERVICES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

CDS has offered Onsite Contingency Services to its Participants since 1996. The service was established to provide terminals, office space, and general support to Participants who are unable to access CDS clearing and settlement services due to temporary system, network, or terminal problems at their sites. When the CDSX system and associated procedures were brought online and into force, respectively, Onsite Contingency Services were not deemed to be a part of CDSX. Consequently, the procedures associated with the services were not included in CDSX Procedures documentation. The legacy procedures contained in the Securities Settlement Service/Book Based System ("SSS/BBS"), however, remain in force and use, when necessary.

The proposed Procedures marked for the amendments may be accessed on the CDS website at:

http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open

Description of Proposed Amendments

The proposed amendments to the Procedures are intended to incorporate the following sections into CDS Procedures (the document entitled *Participating in CDS Services*) and clarify the service descriptions and service levels which CDS offers under the auspices of this service:

- A description of the CDS Participant Onsite Contingency Service and a definition of the two types of plans which CDS currently offers (‘Subscriber Plan” and “Non-Subscriber Plan”).
- Instructions for enrolling in the ‘subscriber’ Participant Onsite Contingency Service plan.
- Instructions for requesting service access in the event a Participant requires use of the service.
- A description of the Participant Shared (Terminal) Access Service.
- Instructions for enrolling in the Participant Shared (Terminal) Access Service.
- Instructions for requesting CDS to enable Shared Access facilities.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical/housekeeping amendments as they are made with the intention of incorporating and centralizing CDS Onsite Contingency Services Procedures within CDS Procedures generally. The proposed amendments are sought to enable more efficient access to CDS Procedures and services for Participants and clarify the instructions for both enrollment in, and use of, the service.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A (“Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC”) of the Recognition and Designation Order, as varied and restated on July 12, 2005, these amendments will be effective on August 14, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3768
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Senior Legal Counsel

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Regulation SHO

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

TECHNICAL AMENDMENTS TO CDS PROCEDURES

REGULATION SHO

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

On January 26th, 2006, the Board of Directors of CDS approved amendments to the CDS Participant Rules to facilitate adherence to Regulation SHO by CDS Participants utilizing Cross-Border Services (as that term is defined in Section 1.2 of the CDS Participant Rules) offered by CDS. CDS requested regulatory approval for the proposed amendments to the Participant Rules on January 27th, 2006, with the intention of making both the Rule and Procedure amendments effective as of August 14th, 2006. Specifically, the amendments to the CDS Participant Rules proposed to and approved by the CDS Board of Directors included the following:

- A provision granting CDS absolute discretion to close out a fail-to-deliver position in a threshold security held by one of its Participants, and outlining the responsibility of the Participant for the costs resulting from such a close-out;
- A provision granting CDS clear and explicit authority to release information pertaining to a Participants' compliance with Regulation SHO to the Participant's primary regulatory body and to any Self Regulatory Organization ("SRO") of which the Participant is a member;
- A provision granting CDS discretion to restrict a Participant's access to CDS services in the event that a Participant does not comply with the CDS Participant Rule pertaining to Regulation SHO.

The proposed amendments to CDS Procedures are made in order to ensure that CDS Procedures are consistent with CDS Participants Rules. The proposed amendments relate to the availability of compliance reports and the procedure by which CDS will close out outstanding Continuous Net Settlement ("CNS") short positions in applicable threshold securities.

The Procedures marked for the amendments may be accessed on the CDS website at:

http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open

Description of Proposed Amendments

The proposed amendments to Chapter 1 of the *New York Link Participant Procedures* consist of the addition of Section 1.8 and its subsections and section 1.9 to that chapter. In particular, the proposed amendments include the following:

- An introduction to the requirements imposed on CDS and its Participants by Regulation SHO, including the scope of its application, CDS' obligations to provide certain reports to Participants and Self-Regulatory Organizations in furtherance of the stated purpose of Regulation SHO (section 1.8);
- A section which details how CDS will provide the Projected Threshold Close-Out Report – New York Link Service to Participants and to SROs or a Participant's primary regulator (section 1.8.1);
- A section which details CDS Procedure in the event that a current threshold security list is not available from primary sources, including the re-calculation of the threshold age (section 1.8.1);
- A section which outlines the CDS procedure and timeline for closing out a CNS short position in a security that has been identified as a threshold security (section 1.9).

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered by CDS to be technical amendments as they are made in order to ensure consistency with CDS Participant Rules and compliance with the regulatory requirements of the United States Securities and Exchange Commission.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as varied and restated on July 12, 2005, these amendments will be effective on August 14, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3768
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Senior Legal Counsel

13.1.3 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Data Expansion

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

TECHNICAL AMENDMENTS TO CDS PROCEDURES

DATA EXPANSION

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

As part of the ongoing effort to improve the efficiency of its services, CDS has undertaken a project which will make the information it gathers in respect of entitlements information available to participants on more a timely and extensive basis. Participants will be able to use the information for both notification, and processing and to eliminate their data gathering and scrubbing processes. The first stage in the project is the expansion of the data currently available within CDS' corporate action events and the initiation of an online calendar function.

CDS consulted with several of its entitlement information customers to identify the specific requirements for CDS entitlement information quality improvements in the areas of timeliness, accuracy, security coverage and event completeness.

The information to be included in the corporate actions events and in the online calendar is currently already available to CDS Participants in other forms and in other locations; the first stage in the project, which the proposed amendments address, adds certain data elements to relevant entitlement events, allows Participants to view events in CDSX in 'Anticipated' or 'Unconfirmed' status, and entails the creation of a mainframe real-time event calendar screen.

The Procedures marked for the amendments may be accessed on the CDS website at:

http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open

Description of Proposed Amendments

The proposed amendments to the procedures reflect the additional functionality outlined below:

The new functionality is for information purposes only, and will not affect the current processing of Corporate Action events (e.g. event confirmation, calculations, payments, conversion, claims etc).

1. Additional Data Elements

The following new data elements will be added to all relevant Corporate Action events:

- Multiple Ex-Dividend Dates on distribution type events
- Effective Date on mandatory type events
- Remaining Principal Balance Factor (RPF) on NHA related events
- Stock Price on security-receive type events

Changes will not be required to Outbound InterLink messages or any other Outbound ACI file.

2. Event Level Status Additions

The proposed amendments will enable CDS to make Entitlement events with the Event Level statuses of 'Anticipated' and 'Unconfirmed' available for Participant viewing in CDSX.

3. Online Calendar

The proposed amendments will provide participants with an online calendar of real-time information on upcoming events. Participants will be able to sort and print the displayed event information.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures relating to the provision of entitlements information. Neither CDS' Participants nor the Canadian capital markets will be materially affected by these changes. Further, it is CDS' view that the provision of additional data for informational purposes alone constitutes only a change to administrative practices relating to the provision of entitlements information.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as varied and restated on July 12, 2005, these amendments will be made effective on August 14, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3768
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Senior Legal Counsel

13.1.4 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures – Funds Transfer

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

TECHNICAL AMENDMENTS TO CDS PROCEDURES

FUNDS TRANSFER

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

In December, 2005, CDS's Regulators granted their non-disapproval/approval for technical amendments to the CDS Participant Rules to allow for the Free Payment of Funds from extenders of credit or active federated Participants to CDS for the purpose of making Entitlements Payments. The technical amendments to CDS Procedures are proposed to automate the process by which such financial institutions convert an entitlement payment to an acceptable payment in CDSX and receive a corresponding credit in their Funds Account.

The Procedures marked for the amendments may be accessed on the CDS website at:

http://www.cds.ca/cdshome.nsf/Pages/-EN-Documentation?Open

Description of Proposed Amendments

The proposed technical amendments to CDS Procedures will, in certain situations, exempt an extender of credit or active federated Participant from conditions which must be met prior to making a Funds Transfer. The proposed amendments contemplate a circumstance in which an entitlement payment is converted to an acceptable payment (i.e., either LVTS or Fedwire) by an extender of credit and/or active federated participant through a funds transfer. Under current CDS Procedures, such a conversion is rejected in the absence of a positive funds account balance (either before or after the funds transfer).

The proposed technical amendments allow extenders of credit and/or active federated participants to process funds transfer for entitlement payments *without* having a positive funds account balance in Canadian dollars provided three conditions are met: first, the funds transfer must be to a CDS CUID (Customer Unit IDentifier); second, the funds transfer must pass the Aggregate Collateral Value ("ACV") Edit; and third, the transfer amount must not exceed available funds. Available funds, in this circumstance, are the sum of the Funds Account balance, available lines of credit, and the remaining space under the System Operating Cap for the transferor.

The proposed technical amendments allow extenders of credit and/or active federated participants to process a funds transfer for U.S. Dollar entitlement payments *without* having a positive funds account balance in U.S. dollars provided two conditions are met: first, the funds transfer must be to a CDS CUID; and second, the transfer amount must not exceed the available U.S. Dollar funds edit. Available U.S. Dollar funds, in this circumstance, are the sum of a U.S. Dollar funds account balance and the remaining space under the U.S. Dollar System Operating Cap for the transferor. The ACV edit does not apply to transactions in U.S. Dollars as the ACV for a security with a U.S. funds market price is converted to Canadian Dollars.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are amendments which are required to ensure consistency as between CDS Participant Rules and CDS Procedures. CDS Participant Rule 6.6.8 was amended, in part, to clarify that the restrictions on free payments and funds transfers apply only as between CDS Participants and not between a Participant and CDS.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as varied and restated, these amendments will be effective on August 14th, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3768
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Senior Legal Counsel

Index