

DIALOGUE WITH THE OSC 2006

Issues in Focus



Friday, November 10, 2006

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KEYNOTE SPEAKER

DAVID WILSON, CHAIR, ONTARIO SECURITIES COMMISSION

GUEST SPEAKERS

HON. GERRY PHILLIPS, ONTARIO MINISTER RESPONSIBLE FOR SECURITIES REGULATION

DAVID BEATTY, MANAGING DIRECTOR, CANADIAN COALITION FOR GOOD GOVERNANCE

DIALOGUE WITH THE OSC 2006

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Guest Speaker: Hon. Gerry Phillips, Minister of Government Services, and David Beatty, Managing Director, Canadian Coalition for Good Governance

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The Ontario Securities Commission

OSC Bulletin

September 29, 2006

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

SEPTEMBER 29, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
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Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

October 12, 2006 **Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton**

10:00 a.m.

s. 127

H. Craig in attendance for Staff

Panel: TBA

October 19, 2006 **Euston Capital Corporation and George Schwartz**

10:00 a.m.

s. 127

Y. Chisholm in attendance for Staff

Panel: WSW/ST

October 20, 2006 **Olympus United Group Inc.**

10:00 a.m.

s.127

M. MacKewn in attendance for Staff

Panel: TBA

October 20, 2006 **Norshield Asset Management (Canada) Ltd.**

10:00 a.m.

s.127

M. MacKewn in attendance for Staff

Panel: TBA

October 30, 2006 **Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels**

10:00 a.m.

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: PMM/ST

Notices / News Releases

November 6, 2006 10:00 a.m.	Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig	TBA	Cornwall et al s. 127 K. Manarin in attendance for Staff Panel: TBA
November 8, 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)	TBA	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA
November 21, 2006 10:00 a.m.	First Global Ventures, S.A. and Allen Grossman	TBA	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson s.127 J. Superina in attendance for Staff Panel: TBA
December 5, 6, & 7, 2006 10:00 a.m.	Jose Castaneda	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
May 23, 2007 10:00 a.m.	Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney	TBA	Bennett Environmental Inc.*, John Bennett, Richard Stern, Robert Griffiths and Allan Bulckaert* P. Foy in attendance for Staff Panel: TBA * settled June 20, 2006
TBA	Yama Abdullah Yaqeen	TBA	Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers* s. 127 and 127.1 P. Foy in attendance for Staff Panel: WSW/RWD/CSP * Settled April 4, 2006

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

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

* Settled November 25, 2005

** Settled March 3, 2006

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

John Daubney and Cheryl Littler

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

1.1.2 CSA Staff Notice 52-316 - Certification Of Design Of Internal Control Over Financial Reporting

CSA STAFF NOTICE 52-316
CERTIFICATION OF DESIGN OF INTERNAL CONTROL OVER FINANCIAL REPORTING

Purpose of notice

This notice communicates staff's views regarding the ability of the certifying officers of a reporting issuer to certify the design of the issuer's internal control over financial reporting (ICFR) as required by Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (the Certification Instrument) if the certifying officers are aware of a weakness in the design of the issuer's ICFR.

Background

The Certification Instrument came into force in all CSA jurisdictions, except British Columbia and Quebec, on March 30, 2004. The Certification Instrument came into force in Quebec on June 30, 2005 and in British Columbia on September 19, 2005.

With limited exceptions, the Certification Instrument applies to all reporting issuers other than investment funds.¹

The Certification Instrument requires a reporting issuer to file an annual certificate for each financial year ending after June 29, 2006 in Form 52-109F1 (the full annual certificate) without modification.² The full annual certificate requires the certifying officers to certify, among other things, that they have "*designed ... internal control over financial reporting, or caused it to be designed under [their] supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.*"

Issuers have asked us whether certifying officers can certify the design of ICFR if the certifying officers are aware of a weakness in the design that has not been remediated. We will address this issue in more detail in a proposed amended and restated version of the Certification Instrument that we intend to publish later this year,³ but in the interim this notice responds to these inquiries.

Staff's views

We acknowledge that there are circumstances in which the certifying officers of a reporting issuer can conclude that they are able to certify that they have designed the issuer's ICFR as required by the full annual certificate even though the certifying officers have identified a weakness in the design. In our view, the certifying officers can certify the design of the issuer's ICFR if the issuer's disclosure about the identified weakness presents an accurate and complete picture of the condition of the design of the issuer's ICFR.

The Certification Instrument does not explicitly require the certifying officers to cause the issuer to disclose a weakness in the design of the issuer's ICFR but it does require the certifying officers to cause the issuer to disclose in the annual MD&A the certifying officers' conclusions about the effectiveness of the disclosure controls and procedures (DC&P).⁴ In our view, the conclusions about the effectiveness of the DC&P should include disclosure of identified weaknesses in the DC&P.

Given the substantial overlap between the definitions of DC&P and ICFR, it is our view that the certifying officers therefore should cause the issuer to disclose in the annual MD&A the nature of any weakness in the design of the issuer's ICFR, the risks associated with the weakness and the issuer's plan, if any, to remediate the weakness. If no such plan exists, the issuer should consider disclosing its reasons for not planning to remediate the weakness.

¹ See section 1.2 and Part 4 of the Certification Instrument.

² See sections 2.1 and 5.2(1) of the Certification Instrument.

³ See Canadian Securities Administrators Notice 52-313 Status of Proposed Multilateral Instrument 52-111 *Reporting on Internal Control over Financial Reporting* and Proposed Amended and Restated Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

⁴ See Form 52-109F1 of the Certification Instrument.

Questions

Please refer your questions to any of the following individuals:

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September 22, 2006

1.1.3 Notice of Approval - Amendments to the Rules of the Toronto Stock Exchange Relating to the Adoption of Universal Market Integrity Rules

**NOTICE OF APPROVAL OF
AMENDMENTS TO THE RULES OF
THE TORONTO STOCK EXCHANGE
RELATING TO THE ADOPTION OF
UNIVERSAL MARKET INTEGRITY RULES**

In November 2001, TSX Inc. (TSX) adopted certain amendments (Amendments) relating to the Universal Market Integrity Rules (UMIR) to be effective on the date determined by TSX that Market Regulation Services Inc. (RS) was to commence to be the regulation services provider for TSX. That date was determined to be April 1, 2002. The Amendments delete or vary the provisions of the Rules of the Toronto Stock Exchange, including its Policies, where the subject matter is covered by UMIR. The Amendments have now been filed with the Commission as "non-public interest" amendments and approved by the Commission pursuant to the *Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals*. A TSX Notice and the Amendments are being published in Chapter 13 of this Bulletin.

1.4 Notices from the Office of the Secretary

1.4.1 Juniper Fund Management Corporation et al.

**FOR IMMEDIATE RELEASE
September 21, 2006**

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

AND

**IN THE MATTER OF
THE JUNIPER FUND MANAGEMENT CORPORATION,
JUNIPER INCOME FUND,
JUNIPER EQUITY GROWTH FUND AND
ROY BROWN (a.k.a. ROY BROWN-RODRIGUES)**

TORONTO – Following a hearing held today, the Commission issued an Order adjourning the hearing in the above noted matter to November 8, 2006 at 10:00 a.m. and extending the Temporary Order against the Respondents until November 8, 2006.

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

**OFFICE OF THE SECRETARY
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SECRETARY**

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1.4.2 Robert Patrick Zuk et al.

FOR IMMEDIATE RELEASE
September 27, 2006

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

- AND -

IN THE MATTER OF
ROBERT PATRICK ZUK, IVAN DJORDJEVIC,
MATTHEW NOAH COLEMAN, DANE ALAN WALTON,
DEREK REID and DANIEL DAVID DANZIG

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations in the above matter yesterday.

A copy of the Amended Statement of Allegations is available at www.osc.gov.on.ca

**OFFICE OF THE SECRETARY
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416-595-8913

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

AND

ROBERT PATRICK ZUK, DANE ALAN WALTON
DEREK REID, IVAN DJORDJEVIC,
DANIEL DAVID DANZIG, and
MATTHEW NOAH COLEMAN

AMENDED STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. Background

1. Visa Gold Explorations Inc. ("Visa Gold") is a reporting issuer involved in the recovery of underwater artefacts, which was listed on the Canadian Dealing Network ("CDN") on August 25, 1999. Visa Gold common shares traded over the counter and were quoted on the CDN until October 10, 2000, when Visa Gold shares began trading on the CDNX. Visa Gold shares continued to trade on the CDNX until December 19, 2002, when trading in Visa Gold's shares was suspended. Visa Gold shares were cease traded on May 28, 2003 and remain cease traded.
2. The respondent Robert Patrick Zuk ("Zuk") is a resident of Toronto, Ontario. He was an insider of Visa Gold by virtue of his direct and indirect share control which, at various times in the relevant period, exceeded 10% of the outstanding common shares of Visa Gold.
3. Dane Alan Walton ("Walton") is a trader who, at all material times, was employed by Taurus Capital Markets Limited. Walton is currently registered as a salesperson at Canaccord Capital Corporation, subject to the term and condition that he is restricted to trading by means of Computer Assisted Trading System (CATS) only.
4. The respondent Derek Reid ("Reid") is a registered representative and trader who, at all material times, was employed by Brant Securities Limited. Reid is currently registered as a salesperson at Union Securities Ltd.
5. The respondent Ivan Djordjevic ("Djordjevic") is a registered representative who, at all material times, was employed by Rampart Securities Inc. Djordjevic is currently registered as a salesperson with Desjardins Securities Inc.
6. The respondent Daniel David Danzig ("Danzig") is a registered representative who, at all material times, was employed by Yorkton Securities Inc.

Danzig is currently registered as a salesperson at Desjardins Securities Inc.

7. The respondent Matthew Noah Coleman (“Coleman”) is a registered representative who, at all material times, was employed by Dundee Securities Corporation. Coleman is currently registered as a salesperson with Desjardins Securities Inc.

8. Reid, Djordjevic, Coleman and Danzig will be referred to collectively as the “Registered Representatives”. Reid and Walton will be referred to collectively as the “Traders”.

II. Background of Visa Gold and of Zuk’s Shareholding in Visa Gold

9. Visa Gold originated as a privately-held company. In February 1998, Visa Gold entered into a joint venture agreement with a Cuban state-owned entity to explore historic shipwrecks and recover artefacts within Cuba’s territorial waters. In order to fund Visa Gold’s obligations under the joint venture agreement, Visa Gold determined that the public markets should be accessed to raise capital. Visa Gold contacted Zuk and another individual to take Visa Gold public and, specifically, to raise funds to purchase and equip a salvage boat and to supply working capital needed to continue Visa Gold’s exploration and recovery operations.

10. In order to take Visa Gold public, a reverse takeover (RTO) was effected by a company in which Zuk held a material interest.

11. Prior to the commencement of public trading of Visa Gold shares on or about August 25, 1999, Zuk controlled a substantial majority of the issued Visa Gold shares.

III. Zuk’s Trading Activity in Visa Gold shares

12. In the period between August 1999 and November 2001, Zuk, through brokerage accounts over which he held and/or exercised trading authority, was an active trader in Visa Gold shares. In the relevant period, Zuk entered into hundreds of trades involving millions of shares of Visa Gold in those accounts on both the buy side of trades and the sell side of trades. Those trades (which were reported to the public on the CDN or CDNX), viewed individually and collectively, were designed to create, and did create, a misleading appearance as to the value of and market activity in Visa Gold’s shares.

a. Brokerage Accounts used by Zuk

13. For his trading in Visa Gold shares, Zuk used at least 27 brokerage accounts at 11 brokerage houses in his own name and in the names of the

following controlled companies over whose accounts Zuk held and exercised trading authority: Chinggis Capital Corporation Limited, 1125590 Ontario Inc. (also known as Del Mar Ventures Ltd.) and 1266447 Ontario Limited ~~and Wilkinson International Ltd.~~ (collectively, the “Zuk Companies”). In addition, Zuk held and exercised trading authority over at least 35 accounts at 8 brokerage houses in the names of the following nominee individuals and companies: Bruce Hodgman, 1402185 Ontario Inc., Redcap Management and Consulting, Lisa Laudenbach, ENT Management Inc., Christine Sheehan, The Winfield Group, Louise L’Abbe-Zuk, Paul Frustaglio, 1249443 Ontario Limited (also known as Lampar Capital) ~~and~~ Paul Viveiros and Wilkinson International Ltd. (collectively, the “Zuk Nominees”). Brokerage accounts held in the name of Zuk, the Zuk Companies and the Zuk Nominees will be referred to as the “Zuk Controlled Accounts”.

b. Manipulative trading by Zuk

14. Zuk entered into numerous trades, which were reported on the public market via the CDN or CDNX, when he knew or ought to have known that the trades would or may create a misleading appearance as to the volume of trading in Visa Gold’s common shares and as to the market price for those shares. Those misleading trades involved:

- a. no change in beneficial ownership of the Visa Gold shares (“Wash Trades”);
- b. entering an order to buy or sell Visa Gold shares with knowledge that an offsetting order of substantially the same size and price has been or will be entered (“Match Trades”);
- c. prearranged trades with house inventory accounts at brokerage firms (“Prearranged Inventory Trades”);
- d. entering into trades at or near the end of the trading day which resulted in a higher closing price for Visa Gold shares (“High Close Trades”); and
- e. entering into orders to buy or sell Visa Gold shares at a price higher than the last reported trade (the “Uptick Trades”).

15. On 13 occasions, Zuk engaged in Wash Trades of Visa Gold shares between himself and the Zuk Companies. Seven of those trades were Uptick Trades and three of those trades were High Close Trades in Visa Gold shares.

16. Zuk also entered into 33 Match Trades among himself and the Zuk Nominees. Nine of those

trades were Uptick Trades, and eight of those Trades were High Close Trades in Visa Gold shares.

17. In cooperation with Walton and Reid, Zuk also entered into trades of Visa Gold shares with firm inventory accounts at Taurus Capital Markets Limited and Brant Securities Limited. Those trades are more particularly described in paragraph 24 below.

18. The Zuk Controlled Accounts made more than 90 additional purchases of Visa Gold shares at prices higher than the last reported trade, exerting an upward pressure on the price of Visa Gold shares.

19. Zuk used various techniques to mask his trading activity including using nominee and controlled corporate accounts, using brokerage accounts at different firms, and failing to file complete and accurate insider trading reports. He also augmented his trading activity by securing a substantial number of shares from Visa Gold's treasury and depositing them into Zuk Controlled Accounts. Zuk's activities also included ~~month-end~~ transfers and/or trades of shares to cover debit balances in the various accounts over which he held and exercised trading authority, which were designed to eliminate compliance scrutiny of the trading in the various brokerage accounts that he controlled.

c. The Role of the Registered Representatives

20. The Registered Representatives were aware of the nature (as described in paragraphs 14 through 19 above) and level of Zuk's trading activities in Visa Gold shares, by acting as registered representatives in the accounts that Zuk used for his trading in Visa Gold shares. The Registered Representatives participated in or acquiesced in the misleading trading in the Zuk Controlled Accounts. Zuk Controlled Accounts were held with the Registered Representatives, as follows:

- a. ~~40~~ 11 brokerage accounts with Reid, in which approximately 10 million shares of Visa Gold were traded on the buy side of trades and 13 million shares of Visa Gold were traded on the sell side;
- b. 8 brokerage accounts with Coleman, in which approximately 7 million shares of Visa Gold were traded on each of the buy and sell side;
- c. 8 brokerage accounts with Djordjevic, in which approximately 2 million shares of Visa Gold were traded on the buy side of trades and 4 million shares of Visa Gold were traded on the sell side; and

d. 2 brokerage accounts with Danzig, in which approximately 300,000 shares of Visa Gold were traded on each of the buy and sell side.

21. The Registered Representatives were involved on behalf of either the buyer or the seller (or both) in substantially all of the Wash Trades and Match Trades involving the Zuk Controlled Accounts. Trades in which the Registered Representatives acted for both the buyer and the seller of the Visa Gold shares ("Cross Trades") were as follows:

- a. Reid was involved in 17 Cross Trades and, of those trades, three were Match Trades among Zuk Controlled Accounts, one was a Wash Trade between Zuk Controlled Accounts, and six were High Close Trades;
- b. Danzig was involved in 6 Cross Trades, 4 of which were Wash Trades between Zuk Controlled Accounts, one of which was an Uptick Trade and two of which were High Close Trades; and
- c. Djordjevic was involved in 4 Cross Trades, one of which was an Uptick Trade, and three of which were High Close Trades in Visa Gold shares.

22. Each of the Registered Representatives were involved in Uptick Trading and High Close Trading on behalf of the Zuk Controlled Accounts.

23. Djordjevic was also the registered representative for Match Trades involving his family members, one of which was a High Close Trade in Visa Gold shares.

24. In respect of the Zuk Nominees, Djordjevic, Reid and Coleman acted on trading instructions from Zuk for accounts for which Zuk did not have trading authority and accepted trading instructions from Zuk Nominees with knowledge that their trading was being directed by Zuk.

d. The Role of the Traders

25. Reid and Walton were involved in buying Visa Gold shares from Zuk or selling Visa Gold shares to Zuk Controlled Accounts in prearranged trades on behalf of their firm's inventory accounts. In particular,

- a. Walton supplied Visa Gold shares from his firm's inventory account for 23 Uptick Trades and 3 High Close Trades where Zuk Controlled Accounts were the purchasers. In addition, with Walton as trader, his firm's inventory account acted as purchaser on 11 Uptick Trades and 4 High Close Trades in Visa Gold shares,

in trades primarily involving Zuk Controlled Accounts as the sellers of the shares.

- b. on behalf of his firm's inventory account, Walton entered into 15 prearranged trades with Zuk Controlled Accounts, involving the purchase of Visa Gold shares from the inventory account and subsequent resale (often on the same day) of the shares to the inventory account, for a total profit of to the inventory account of \$27,455.00. These prearranged trades typically accounted for the majority of the day's trading volume in Visa Gold's shares;
- c. Reid supplied 500,000 Visa Gold shares from his firm's inventory account to a Zuk Nominee in a series of 5 associated trades;
- d. Reid supplied Visa Gold stock from his firm's inventory account or bought Visa Gold shares as a trader on behalf of his firm's inventory account for 8 High Close Trades and 11 Uptick Trades involving Zuk Controlled Accounts.
- e. Walton was involved as trader in a Wash Trade involving his firm's inventory account.

All of the Uptick Trades and High Close Trades in which Walton and Reid were involved caused an upward pressure on the price of Visa Gold's shares.

- 26. Reid and Walton's firms were approved market makers for Visa Gold shares, with Reid and Walton carrying out the daily function of market maker for Visa Gold. The trading activity described in paragraph 25 went beyond the mandate of a market maker, which involves maintaining reasonable liquidity for Visa Gold's shares by making firm bids or offers for Visa Gold's shares, as necessary to operate an orderly market for Visa Gold's shares. The market makers only had an obligation to fill orders for one board lot of Visa Gold's shares at the bid or offer price. In addition, on at least 9 occasions, Walton was involved in month end trades in his firm's inventory account in which large share positions in Visa Gold were traded, with reversing trades occurring a number of days later after the month end. One or both of the initial trades and the reversing trades were reported to the public through the market.

e. Market price of Visa Gold shares

- 27. At the commencement of public trading, the common shares of Visa Gold were trading in the range of \$1.65-\$1.75 per share. The stock

peaked at \$2.05 per share. In the entire period, trading by Zuk Controlled Accounts comprised approximately 40 percent of the trading in Visa Gold shares.

- 28. The respondents profited from their trading activities involving Visa Gold shares, as follows:
 - a. Zuk's trading volume in Visa Gold shares totalled \$5.1 million;
 - b. The Registered Representatives earned commissions on all trades in Visa Gold shares by Zuk Controlled Accounts;
 - c. Djordjevic made trading profits from his personal trading activities (through accounts held personally and/or in the names of his family members) in Visa Gold shares; and
 - d. The Traders' compensation was increased, as it was based, in part, on profits earned through their inventory trading in Visa Gold shares.

IV. Conduct contrary to the Act and the public interest

- 29. Trading in the Zuk Controlled Accounts created the misleading impression that there was a higher volume of trading in Visa Gold shares than there truly was. In addition, where trades in the Zuk Controlled Accounts occurred at prices that were higher than the preceding reported trade, the trades by the Zuk Controlled Accounts had the effect of maintaining the value of the Visa Gold shares at a level that was higher than would otherwise have occurred. These trades, accordingly, interfered with the operation of a fair market for Visa Gold shares and were abusive of the capital markets.
- 30. The respondents knew or ought to have known that the trades described above would or may create a misleading appearance as to market activity for Visa Gold shares or as to the price of those shares. In addition, the Registered Representatives and Traders acted in a manner that is contrary to the public interest by permitting and/or acquiescing in the misleading trading in the Zuk Controlled Accounts.
- 31. The respondents benefited financially from their misconduct.
- 32. The respondents' conduct was contrary to Ontario securities law, and the public interest.
- 33. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 25th day of September, 2006

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 TD Asset Management Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption was granted from section 227 of the Ontario Regulation, pursuant to section 233 of the Regulation, and its equivalent in the other jurisdictions, to permit an adviser to dealer managed mutual funds to invest in a connected issuer, subject to an independent review committee.

Applicable Provision

General Regulation, R.R.O. 1990, Reg. 1015, as am., ss. 227, 233.

September 19, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, NOVA SCOTIA, AND
NEWFOUNDLAND AND LABRADOR,
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC.,
NATCAN INVESTMENT MANAGEMENT INC.
AND JONES HEWARD INVESTMENT COUNSEL INC.
(the Applicants)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Makers**) 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 from each of the Decision Makers under section 233 of General Regulation, R.R.O. 1990, Reg. 1015, as amended (the **Regulation**), in Ontario and the equivalent provision in the Jurisdictions of the other Decision Makers, as set out in Appendix B, for an exemption from complying with Section 227 of the Regulation and the equivalent provisions in the securities legislation of the Jurisdictions of the other Decision Makers, as set out in Appendix "B" (collectively referred to as the **Adviser Restriction**), to enable each Dealer Manager to act as adviser to its Dealer Managed Funds in respect of medium term notes (the **Securities**) of Bell Aliant Regional Communications, Limited Partnership (the **Issuer**), during the course of the distribution (the **Distribution**) of the Securities offered pursuant to a short form base shelf prospectus and a pricing supplement (the **Pricing Supplement**) to be filed by the Issuer on or about Thursday, September 14, 2006 and Tuesday, September 19, 2006, respectively in accordance with the securities legislation of each of the provinces of Canada (the **Offering**), despite the fact that the Issuer may be a connected issuer of the Dealer Managers during the course of the Distribution (the **Adviser Restriction Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission (the **OSC**) is the principal regulator for the Adviser Restriction Relief; and
- (b) this MRRS decision document evidences the decision of each of the Decision Makers.

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 National Instrument 81-102 - *Mutual Fund Distributions*.
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 are in Toronto, Ontario.
4. The Issuer filed a preliminary short form base shelf prospectus (the **Preliminary Prospectus**) on August 25, 2006 with each of the Decision Makers, for which an MRRS decision document evidencing receipt by each of the Decision Makers was issued on August 28, 2006.
5. As disclosed in the Preliminary Prospectus, the Issuer was established under the laws of the Province of Manitoba on July 5, 2006. The Issuer was created as part of a plan of arrangement (the **Arrangement**) amongst Aliant Inc., BCE Inc. and Bell Canada to form the Bell Aliant Regional Communications Fund which was completed on July 7, 2006.
6. As described in the Pricing Supplement, the Offering is being underwritten, subject to certain terms, by a syndicate which we understand will include TD Securities Inc., National Bank Financial Inc. and BMO Nesbitt Burns Inc. (each a **Related Underwriter**, and any other underwriters which are now or may become part of the syndicate, the **Underwriters**). Each Related Underwriter is an affiliate of one or more of the Dealer Managers.
7. According to the Preliminary Prospectus, offerings of medium term notes are expected to be for up to an aggregate principal amount of \$3,000,000,000, which the Issuer may offer and issue from time to time with maturities of not less than one year. The Securities are issuable in minimum denominations of \$5,000 and multiples of \$1,000 thereafter. The Securities will be issued pursuant to the provisions of a trust indenture between the Issuer, Bell Aliant Regional Communications Inc., 6583458 Canada Inc., Bell Aliant Regional Communication Holdings Inc., Bell Aliant Holdings Trust and CIBC Mellon Trust Company, as trustee. The Securities will be unsecured, will rank pari passu with all other unsecured and unsubordinated indebtedness incurred by the Issuer and will be issued at rates of interest or prices determined by the Issuer from time to time based on a number of factors, including advice from the Underwriters. The Securities are guaranteed by Bell Aliant Regional Communications Inc., 6583458 Canada Inc., the Issuer, Bell Aliant Regional Communications Holdings Inc. and Bell Aliant Holdings Trust. The Underwriters, when purchasing as principals, may over-allot or effect a transaction intended to fix or stabilize the price of the securities at a level above that which might otherwise prevail in the open market. Such a transaction, if commenced, may be discontinued at any time.
8. The net proceeds to the Issuer from the issue of the Securities offered will be the issue price thereof less any commission paid and the expenses incurred in connection therewith. Such net proceeds cannot be estimated, as the amount thereof will depend on the extent to which securities are issued. The net proceeds will be used to pay down amounts owing under the Issuer's Credit Facility (defined below) or, if no such amounts are owing at such time, may be added to the general funds of the Issuer and made available for general corporate and working capital purposes, to finance acquisitions and to finance additions to property, plant and equipment or for the retirement of other debt (which debt was incurred by the Issuer for similar purposes). All expenses incurred in connection with the creation of the Issuer's medium term note program, any offerings and related commissions will be paid out of the Issuer's general funds. The Issuer may issue debt instruments and incur additional indebtedness otherwise than through the issue of Securities pursuant to the Offering.
9. Pursuant to a dealer agreement (the **Underwriting Agreement**) the Issuer and the Underwriters will enter into in respect of the Offering prior to the Issuer filing the Prospectus, the Underwriters are authorized, as agents of the Issuer,

for such purpose only, to solicit offers from time to time to purchase securities (including the Securities) in each of the provinces of Canada, directly and through other investment dealers. The Issuer may also select other dealers from time to time to offer the securities. The rate of commission payable in connection with sales by the Underwriters of securities shall be as determined from time to time by mutual agreement among the Issuer and the Underwriters and will be set forth in the applicable supplement to the Prospectus.

10. According to the Preliminary Prospectus, there is presently no market through which the Securities may be sold and the Issuer does not intend to apply for listing of any of the Securities on any securities exchange or automated quotation system.
11. 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).
12. According to the Preliminary 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 BMO Nesbitt Burns Inc., CIBC World Markets Inc., TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and Desjardins Securities Inc. are affiliates of lenders to the Issuer under a \$3.5 billion unsecured credit facility, which has been used by the Issuer to finance the Arrangement and will be used to refinance existing long term debt, support the Issuer’s commercial paper program and for working capital purposes (the **Credit Facility**). Consequently, the Issuer may be considered to be a “connected issuer” of such Underwriters for the purposes of applicable Canadian securities legislation. Approximately \$1.72 billion is currently drawn under the Credit Facility. The Issuer is in compliance with its covenants and other obligations under the Credit Facility. Under the terms of the Credit Facility, the Issuer is required to use the proceeds from the issuance of Securities to permanently repay certain of the non-revolving term facilities. None of the lenders under the Credit Facility had any involvement in the decision to distribute the Securities and the determination of the terms and conditions of the offering of the Securities were and will be made through negotiations between the Issuer and the underwriters. The Underwriters have not and will not benefit in any manner from the offering of Securities other than through payment of their percentage share of the Underwriters’ commission.
13. 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.
14. The Dealer Managed Funds are not required or obligated to purchase any Securities during the Distribution.
15. Each Dealer Manager may cause its Dealer Managed Funds to invest in the Securities during the Distribution. Any purchase of the Securities 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.
16. 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 Securities 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.
17. 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 Securities during the Distribution.

Decisions, Orders and Rulings

18. 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 Securities during the Distribution.
19. 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 Manner.
20. 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.
21. 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

The Decision of the Decision Makers under the Legislation is that the Adviser Restriction Relief is granted, notwithstanding that the Issuer may be a connected issuer of the Dealer Managers or that the Related Underwriters act or have acted as underwriters in the Offering, provided that, 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 Securities (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 Securities 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 Securities for the Dealer Managed Funds;
- IV. The Related Underwriter does not purchase Securities in the Offering for its own account except Securities 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 Securities during the Distribution;

Decisions, Orders and Rulings

- VI. The Independent Committee has a written mandate describing its duties and standard of care which, as 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 circumstance
- 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 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 90 days after the end of the Distribution, 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 Funds of 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 Securities;
 - (iv) 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
 - (v) 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 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 affiliate or associate 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 Securities 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 Securities 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 Securities 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 determination 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. The Dealer Manager:

- (a) expresses an interest to purchase on behalf of Dealer Managed Funds and Managed Accounts a fixed number of Securities (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 business days after the final prospectus has been filed; and
- (c) does not place an order with an underwriter of the Offering to purchase an additional number of Securities 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 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;

XIV. For Purchases of Securities 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.

"Susan Wolburgh Jenah"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

APPENDIX "A"

BMO Mutual Funds (consolidated)

BMO Asset Allocation Fund
BMO Bond Fund

TD Private Funds

TD Private Canadian Bond Income Fund
TD Private Canadian Bond Return Fund
TD Private Canadian Corporate Bond Fund

TD Mutual Funds – Advisor and F-Series

TD Canadian Bond Fund
TD Short Term Bond Fund
TD Corporate Bond Capital Yield Fund
TD Balanced Fund

The Altamira Funds

Altamira Dividend Fund Inc.

Altamira Monthly Income Fund
Altamira Balanced Fund
Altamira Growth & Income Fund
Altamira Income Fund
Altamira Bond Fund
Altamira Global Bond Fund
Altamira Inflation Adjusted Bond Fund
Altamira Short Term Government Bond Fund

National Bank Mutual Funds - 2005

National Bank Monthly Income Fund
National Bank Dividend Fund
National Bank Monthly Equity Income Fund
National Bank Monthly Conservative Income Fund
National Bank Monthly High Income Fund
National Bank Monthly Moderate Income Fund
National Bank Monthly Secure Income Fund
National Bank Bond Fund
National Bank Conservative Diversified Fund
National Bank Moderate Diversified Fund
National Bank Secure Diversified Fund
National Bank Balanced Diversified Fund
National Bank Retirement Balanced Fund

National Bank Protected Funds

National Bank Protected Growth Balanced Fund
National Bank Protected Canadian Bond Fund
National Bank Protected Retirement Balanced Fund

APPENDIX "B"

The Adviser Restriction

JURISDICTION	REGULATIONS	SECTION OF REGULATIONS	SECTION UNDER WHICH IS BEING BOUGHT
Ontario	Regulation 1015	227	233
Nova Scotia	Securities Regulation	67	74
Newfoundland	Securities Regulation 805/96	191	197

2.1.2 Aldeavision Inc. - MRRS Decision

Headnote

Mutual Reliance Review System For Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations – Issuer Completed a Significant Acquisition Through Judicial Sale – Prospectus Level Disclosure Required in Issuer’s Information Circular – Issuer Does Not Have Access to Historical Accounting Records of Acquired Business and Cannot Produce Audited Financial Statements for Acquired Business – Issuer Previously Granted Relief from the Requirement to Include Audited Annual Financial Statements and Pro Forma Financial Statements in the Business Acquisition Report – Issuer Granted Relief from the Requirement to Include Audited Financial Statements and Pro Forma Income Statement in the Information Circular – Information Circular to Incorporate by Reference Business Acquisition Report that Contains Unaudited Financial Statements and a Pro Forma Balance Sheet.

National Instruments Cited

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

Forms Cited

Form 51-102F5, Item 14.2.

August 25, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO
(The “Jurisdictions”)

AND

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

AND

IN THE MATTER OF
ALDEAVISION INC.
(The “Filer”)

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”) (the “Requested Relief”):

- (i) for an exemption from the requirement to include in the Filer’s information circular (the “Circular”), for a proposed statutory arrangement (the

“Proposed Transaction”), the audited financial statements of Invidex Inc. (“Invidex”) of Invidex required by the Legislation, provided that the Filer incorporates by reference in the Circular the Business Acquisition Report of the Filer dated May 24, 2006, including the financial statements of Invidex attached to such Business Acquisition Report; and

- (ii) for an exemption from the requirement to include in the Circular the *pro forma* income statement of the Filer required by the Legislation in respect of the acquisition by the Filer of substantially all of the assets of Invidex (the “Assets”).

Application of the Principal Regulator System

Under Multilateral Instrument 11-101 *Principal Regulator System* (“MI 11-101”) and the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Autorité des marchés financiers is the principal regulator for the Filer;
- (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; and
- (c) this MRRS Decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation that was incorporated on June 3, 1992 pursuant to the *Canada Business Corporations Act* (“CBCA”).
2. The head office of the Filer is located in St-Laurent, Quebec.
3. The authorized capital of the Filer consists of an unlimited number of common shares and an unlimited number of preference shares issuable in series without nominal or par value. As of the date hereof, 6,227,279 common shares are issued and outstanding.
4. The Filer’s common shares are listed on the TSX Venture Exchange under the symbol “AAN”.
5. The Filer is a “venture issuer” as defined in National Instrument 51-102 and is a reporting

issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

6. On June 1, 2006, the filer entered into a letter of intent with VGS Capital Ltd. ("VGS"), an Alberta corporation, in respect of the Proposed Transaction, pursuant to which certain investors would participate in an arrangement that would restructure the Filer, provide it with \$2,970,000 in new financing and permit the Filer to realize some benefit from its accumulated tax losses.
7. The Filer issued a press release on July 31, 2006 describing the Proposed Transaction.
8. The Proposed Transaction will be structured as an arrangement under the *Canada Business Corporations Act*. The Filer will seek an interim order from the Superior Court of Quebec calling a special meeting (the "Meeting") of the security holders of the Filer to approve the Proposed Transaction.
9. In connection with the Meeting, the Filer will prepare the Circular which will be filed with the applicable securities regulatory authorities and delivered to the security holders of the Filer.
10. The Legislation requires that the Circular include the disclosure about the Filer prescribed by the applicable prospectus form, including the financial statements of the acquired business and *pro forma* financial statements for the periods specified in the Legislation.
11. The Filer's most recent fiscal year ended on December 31, 2005.
12. On February 24, 2006, the Filer acquired the Assets of Invidex, a Montreal-based private company that was a broadcast solution provider to the telecommunications industry.
13. At the request of two secured creditors of Invidex, namely, Capital Régional et Coopératif Desjardins and Desjardins Capital de Développement Montréal Métropolitain, Ouest et Nord du Québec (collectively, the "Desjardins Creditors"), the sale of the Assets to the Filer was made under a court order issued on February 23, 2006 by the Quebec Superior Court and ordering the judicial sale of the Assets under the provisions of the *Civil Code of Quebec*.
14. The Filer paid \$1,640,000 for the Assets.
15. The purchase price was paid by the issuance of three convertible debentures for an aggregate value of \$1,515,000 due in January 31, 2008 to the Desjardins Creditors and 9143-8655 Quebec Inc. and through the issuance of 1,250,000

common shares of the Filer to certain employees and officers of Invidex for an aggregate value of \$125,000.

16. The purchase price was established based on unaudited annual financial statements of Invidex for the years ended December 31, 2004 and December 31, 2005. Invidex was not required to prepare audited financial statements because of its private company status.
17. The Filer and all of the parties involved in the sale of the Assets were arm's-length parties.
18. As a consequence of the sales of the Assets being made by way of a judicial sale, no compromises or arrangements, as defined under the *Companies' Creditors Arrangement Act*, were ever filed or proposed by Invidex.
19. After the sale of its assets to the Filer, Invidex ceased all of its operations and no longer employs any employees.
20. The Filer has made every reasonable effort to obtain access to, or copies of, the historical accounting records necessary to audit the financial statements of Invidex, but such efforts have been unsuccessful because Invidex has ceased its operations and the inability of AldeaVision to locate past employees of Invidex in charge of maintaining such historical accounting records.
21. As a result, the Filer does not have access to Invidex's financial historical records (working papers and the supporting documentations) that would be required to audit the unaudited financial statements of Invidex for the years ended on December 31, 2004 and 2005 and to prepare the interim financial statements of Invidex for the pre-acquisition period (as such term is defined in the Legislation) which are required by the Legislation.
22. In addition, the *pro forma* income statement of the Filer required by the Legislation would have to be prepared based on unaudited financial statements of Invidex.
23. Pursuant to the Legislation, the Filer is not required to include a *pro forma* balance sheet of the Filer in the Circular since the acquisition of the Assets will be reflected in the Filer's most recent balance sheet (as at March 31, 2006) incorporated by reference in the Circular.

Decision

- (i) The Decision Makers being satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted.

"Louis Morisset"
Surintendant aux marchés des valeurs

2.1.3 Shiningbank Energy Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Offeror needs relief from the requirement in section 168 of the Act that all holders of the same class of securities must be offered identical consideration – Under the take-over bid, Canadian resident securityholders will receive trust units: US securityholders will receive substantially the same value as Canadian securityholders, in the form of cash paid to the US securityholders based on the proceeds from the sale of their shares; the number of shares held by US residents is de minimis; the US does not have an identical consideration requirement.

Applicable Legislative Provisions

Securities Act (Alberta), R.S.A. 2000, c. S-4, ss. 168, 179(2)(c).

Citation: Shiningbank Energy Income Fund, 2006 ABASC 1556

July 26, 2006

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

AND

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

AND

**IN THE MATTER OF
SHININGBANK ENERGY INCOME FUND (the Filer)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with a proposed securities exchange take-over bid (the Take-Over Bid) to be made for all common shares (the Shares) of Find Energy Ltd. (the Target), the Filer be exempt from the requirement in the Legislation to offer identical consideration to all holders of the class of securities subject to a take-over bid (the Identical Consideration Requirement), specifically including securityholders of the Target resident in the United States (the US Securityholders).

2. the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

4.1 The Filer is an unincorporated open-ended investment trust created under the laws of Alberta and formed and governed by a trust indenture dated May 16, 1996, as amended and restated from time to time including most recently on September 6, 2005, with its head office in Calgary, Alberta.

4.2 The Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador and Prince Edward Island and its trust units (the Trust Units) are listed on the Toronto Stock Exchange.

4.3 The Target is a public company incorporated under the laws of Alberta with its head office in Calgary, Alberta.

4.4 The Target is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia and the Shares are listed on the Toronto Stock Exchange.

4.5 Effective July 13, 2006 the Filer and the Target entered into a pre-acquisition agreement under which the Filer agreed, through its indirect wholly-owned subsidiary, Shiningbank Energy Ltd., to make the Take-over Bid, under which holders of Shares will receive 0.465 of one Trust Unit for each Share, on or about July 31, 2006.

4.6 Approximately 6.9% of the issued and outstanding Shares on a non-diluted basis (approximately 6.3% on a fully diluted basis) are currently beneficially held by US Securityholders.

4.7 Because the Trust Units issuable under the Take-over Bid to the US Securityholders have not been registered under the United States Securities Act of 1933 (the 1933 Act) or the securities laws of any state of the United States, the offer, sale and delivery of Trust Units to US Securityholders without further action by the Filer would constitute a violation of US securities laws.

4.8 Registration under the 1933 Act of the Trust Units deliverable to US Securityholders would be costly and burdensome to the Filer.

4.9 Rule 802 under the 1933 Act (Rule 802) would provide an exemption from the requirement that the Trust Units be registered under the 1933 Act if US Securityholders are offered terms at least as favourable as those offered to other holders. However, it specifies that an offer need not be made to securityholders in those states of the United States (States) that require offered securities to be registered or qualified, provided that such securityholders are offered a cash alternative not less favourable than that offered to securityholders in other jurisdictions.

4.10 Notwithstanding Rule 802, the securities laws of most States would prohibit delivery of the Trust Units to US Securityholders without registration or qualification or an exemption from registration or qualification. Such exemption might require that the transferability of the Trust Units be restricted such that US Securityholders in those States would not receive Trust Units on terms as favourable as those offered to Canadian holders of Shares. One State would require registration of the Filer as a "dealer" in securities.

4.11 For US Securityholders or holders of Shares who appear to the Filer or to the depositary designated under the Take-Over Bid to be US Securityholders, the Filer proposes to deliver to the depositary the Trust Units such US Securityholders would otherwise be entitled to receive under the Take-over Bid, who will then sell the Trust Units on behalf of the US Securityholders and deliver to them their respective pro rata share of the proceeds of the sale, less commissions and applicable withholding taxes, unless such US Securityholders can demonstrate to the Filer that such Trust Units may be

issued to them in a transaction exempt from registration under applicable securities laws and in a manner that requires no regulatory filings by the Filer. All Trust Units that may not be delivered to holders of Shares in accordance with the foregoing (including pursuant to any compulsory acquisition thereof under the provisions of the *Business Corporations Act* (Alberta)) will be issued and delivered to the depository for sale by the depository on behalf of such shareholders.

- 4.12 Any sale of Trust Units described in paragraph 4.11 will be completed within five trading days of the date on which the Filer takes up the Shares tendered by the US Securityholders under the Take-Over Bid.
- 4.13 Any sale of Trust Units described in paragraph 4.11 will be effected in a manner intended to maximize the consideration to be received from the sale by US Securityholders and minimize any adverse impact of the sale on the market for the Trust Units.
- 4.14 Except to the extent that relief from the Identical Consideration Requirement is granted, the Take-Over Bid will otherwise be made in compliance with the requirements under the Legislation governing take-over bids.

Decision

- 5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.
- 6. The decision of the Decision Makers under the Legislation is that, in connection with the Take-Over Bid, the Filer is exempt from the Identical Consideration Requirement insofar as US Securityholders who would otherwise receive Trust Units under the Take-over Bid receive instead cash proceeds from the sale of those Trust Units in accordance with the procedure set out in section 4.11.

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

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

2.1.4 Atlas Cold Storage Income Trust and Eimskip Atlas Canada, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – take-over bid and subsequent business combination – Rule 61-501 requires sending of information circular and holding of meeting in connection with second step business combination – target’s declaration of trust provides that a resolution in writing executed by unitholders holding more than 66²/₃% of the outstanding units is valid and binding as if such voting rights had been exercised in favour of such resolution at a meeting of Unitholders – second step business combination to be subject to minority approval, calculated in accordance with section 8.2 of Rule 61-501 – relief granted from requirement that information circular be sent and meeting be held

Applicable Ontario Rules

OSC Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions, ss. 4.2, 9.1.

August 28, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUEBEC**

AND

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

-AND-

**IN THE MATTER OF THE
UNSOLICITED TAKE-OVER BID FOR
ATLAS COLD STORAGE INCOME TRUST
BY EIMSKIP ATLAS CANADA, INC. (THE "FILER")**

MRRS DECISION DOCUMENT

Background

- 1. The local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Quebec (the "Jurisdictions") has received an application from the Filer in connection with an unsolicited take-over bid (the "Offer") for Atlas Cold Storage Income Trust ("Atlas"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement of the Legislation that (a) the Subsequent Acquisition Transaction (as defined below) be approved at a meeting of the unitholders of Atlas ("Unitholders") and, (b) that an information circular be sent to Unitholders in connection with the Subsequent Acquisition Transaction, be waived (the "Requested Relief").

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

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

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

Interpretation

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

Representations

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

4.1. The Filer is a private corporation incorporated under the Canada Business Corporations Act for the purpose of making the Offer and has not carried on any business other than that incidental to making the Offer. It is a wholly-owned indirect subsidiary of Avion Group HF ("Avion"). The Filer's head and registered offices are located at Toronto, Ontario. The authorized share capital of the Filer is an unlimited number of common shares ("Shares").

4.2. Avion is a limited liability company domiciled in Iceland. It was formed to invest in the transportation industry and currently has three business divisions: shipping and logistics; aviation services; and charter and leisure. Its head and registered offices are located at Kopavogur, Iceland.

4.3. The consideration under the Offer will consist of cash at a premium to the market price of the Units at a level to be determined.

4.4. As a result of: i) the fact that the Filer is a wholly-owned subsidiary of Avion; and ii) the terms of a lock-up agreement to be entered into between the Filer, Avion and Kingstreet, Avion and KingStreet are considered joint offerors with the Filer.

4.5. KingStreet is a private investment fund formed under the laws of Manitoba. Its general partner is KingStreet Real Estate Growth GP No. 2 Inc. KingStreet's head and registered offices are located at 161 Bay Street, Suite 3140, BCE Place, Canada Trust Tower, Toronto, Ontario M5J 2S1.

4.6. Avion and KingStreet collectively beneficially own approximately 13.7% of the outstanding Units, based on publicly available information. Accordingly, the Offer technically will be an "insider bid" for the purposes of the Legislation. The Filer intends to rely on the exemption from the requirement to prepare a valuation of Atlas and summarize the valuation in the Circular in subparagraph 2.4(1)2 of OSC Rule 61-501 ("61-501") and subparagraph 2.4(1) 2 of Autorite des marches financiers Regulation Q-27 ("Q-27") and has applied for exemptive relief from the provinces of Canada whose legislation imposes a similar requirement.

4.7. Atlas is an income trust established under the laws of the Province of Ontario. The Units are listed on The Toronto Stock Exchange. Through its operating subsidiary, Atlas operates a Canadian and United States based network of public refrigerated warehouse facilities providing temperature controlled storage, a transportation management services business and a third party logistics management services business. The head and registered offices of Atlas are located at Toronto, Ontario.

4.8. The Offer was made on August 17, 2006. The consideration under the Offer is payable in cash in an amount representing a premium to the market price of the Units as at August 2, 2006 (the day before the Offer was publicly announced). A condition of the Offer, among other conditions, is that there shall have been validly deposited under the Offer, and not withdrawn that number of Units which, together with any Units held as of the expiry time of the Offer by or on behalf of the Filer or any joint offerors, represents at least 66 2/3% of the Units, on a fully-diluted basis, at the time Units are taken up under the Offer (the "Minimum Condition").

4.9. In the event that the Filer takes up and pays for Units deposited pursuant to the Offer, the Filer may proceed with a compulsory acquisition of the Units not deposited to the Offer (the "Compulsory Acquisition") as permitted by section 13.15 of the amended and restated declaration of trust of Atlas dated June 25, 2001 (the "DOT").

4.10. In the event that the Minimum Condition is satisfied but the Filer cannot proceed

with a Compulsory Acquisition and the Filer takes up and pays for Units pursuant to the Offer, the Filer may proceed with an amendment to the DOT to provide that Units shall be redeemable at the option of Atlas for cash (which is the same form as the consideration being paid by the Filer under the Offer) at the Offer price (the "Subsequent Acquisition Transaction"), provided that if the Subsequent Acquisition Transaction is not pursued in such form, the Filer reserves the right, subject to compliance with applicable securities laws, to acquire the assets of Atlas or the balance of the Units as soon as practicable by way of an arrangement, amalgamation, merger, reorganization, consolidation, recapitalization, redemption or other transaction involving the Filer and/or an affiliate of the Filer and/or its subsidiaries and Atlas;

- 4.11. In order to effect the Subsequent Acquisition Transaction, rather than seeking Unitholder approval at a special meeting of the Unitholders to be called for such purpose, the Filer intends to rely on section 12.10 of the DOT, which specifies that a resolution in writing executed by Unitholders holding more than 66 2/3% of the outstanding Units at any time shall be as valid and binding for all purposes of the DOT as if such Unitholders had exercised at that time all of the voting rights to which they were then entitled under the DOT in favour of such resolution at a meeting of Unitholders.
- 4.12. Notwithstanding section 12.10 of the DOT, in certain circumstances the Legislation requires that the Subsequent Acquisition Transaction be approved at a meeting of Unitholders called for that purpose.
- 4.13. To effect the Subsequent Acquisition Transaction, the Filer will obtain minority approval, as that term is defined in the legislation, calculated in accordance with the terms of section 8.2 of OSC Rule 61-501 and section 8.2 of AMF Regulation Q-27 ("Minority Approval"), albeit not at a meeting of Atlas Unitholders, but by written resolution.

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that Minority Approval shall have been obtained, albeit not at a meeting of Atlas Unitholders, but by written resolution.

"Naizam Kanji"
Ontario Securities Commission

Decision

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

2.1.5 Discovery Air Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications and Multilateral Instrument 11-101 Principal Regulator System- National Instrument 51-102, s. 13.1 – Continuous Disclosure Obligations – Financial Statements – An issuer wants relief from the requirement to file audited annual financial statements for the year ending December, 2004 in its business acquisition report – The issuer is required to file annual audited financial statements of the company its acquiring for two of its most recently completed fiscal years; it will file the company's audited annual financial statements for its most recent year, December, 2005 as well as all other interim, comparative and pro forma financial statements as required by National Instrument 51-102, Continuous Disclosure Obligations.

Applicable Ontario Legislation

National Instrument 51-102, s. 13.1.

September 5, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
SASKATCHEWAN AND ONTARIO
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
DISCOVERY AIR INC. (the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of Saskatchewan and Ontario has received an application from the Filer for a decision under National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) exempting the Filer from including audited annual financial statements for the year ending December 2004 in the business acquisition report (BAR) to be filed in connection with the Acquisition (defined below) (the Requested Relief).

Principal Regulator

Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and National Policy 12-201 *The Mutual Reliance Review System for Exemptive Relief Applications* (NI 12-201):

- (a) the Saskatchewan Financial Services Commission (the SFSC) is the principal regulator for the Filer;
- (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, Alberta, Manitoba and the Northwest Territories; and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

The SFSC has assigned to the director of the SFSC the power to make exemption orders and rulings under the provisions of *The Securities Act, 1988*;

Interpretation

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

Representations

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

1. The Filer was continued under the *Canada Business Corporations Act* on March 27, 2006.
2. The Filer is a reporting issuer or equivalent in each of the Jurisdictions and British Columbia, Alberta, Manitoba and the Northwest Territories.
3. The class A common shares of the Filer are listed on the Toronto Stock Exchange.
4. On June 20, 2006, the Filer acquired all of the issued and outstanding shares (the Acquisition) in the capital of Great Slave Helicopters Ltd. ("GSHL"), a private company with its head office in Yellowknife, Northwest Territories.
5. Following the Acquisition, the Filer's principal operations, carried on through GSHL, became located in the Northwest Territories and the Filer moved its head office to Yellowknife, Northwest Territories.
6. The Acquisition is a significant transaction within the meaning of the BAR requirements in NI 51-102, triggering the requirement to file a BAR under NI 51-102.
7. The BAR is required to be filed by September 5, 2006.
8. With its BAR, the Filer is required to file the annual audited financial statements of GSHL for each of its two most recently completed fiscal years, being the fiscal years ending December 31, 2004 and December 31, 2005.

Decisions, Orders and Rulings

- 9. GSHL did not have its annual financial statements audited except for its most recent fiscal year ended December 31, 2005.
- 10. It will be very onerous for the Filer and GSHL to have GSHL's financial statements for the fiscal year ended December 31, 2004 audited because:
 - (a) GSHL has had a turnover in accounting staff, changed its system to manage inventory, changed its accountants/auditors since its year ended December 31, 2004 and changed its year end from March 31 to December 31;
 - (b) GSHL's current auditors were not involved with the financial statements for the fiscal year ended December 31, 2004 and it would be difficult, time-consuming and costly to obtain third party verification and other documentation necessary to conduct an audit for such period; and
 - (c) An audit would be qualified with respect to items such as inventory and possibly fixed assets, accounts receivable and other assets.
- 11. The Filer will file GSHL's December 31, 2005 audited annual financial statements with its BAR.
- 12. The Filer is required to file with its BAR interim financial statements for GSHL for the interim period of GSHL ended immediately prior to the Acquisition and pro forma interim financial statements for the combined entity for the interim period of the Filer ended immediately prior to the Acquisition.
- 13. The interim financial statements for GSHL and pro forma interim financial statements for the combined entity dated prior to the date of Acquisition would not provide any additional material information that can not be obtained from the more current interim financial statements. Accordingly, the Filer will file the most current financial information with the BAR and include GSHL's interim financial statements for the period ended June 30, 2006. The Filer will file its pro forma financial statements for the period ended July 31, 2006 with a compilation report and its pro forma financial statements for its fiscal year ended October 31, 2006 with a compilation report.
- 14. The Filer will file its financial statements for the interim period ended July 31, 2006 prior to the filing of its BAR.

is granted provided that the Filer files a BAR in accordance with NI 51-102 that includes:

- 1. annual audited financial statements for GSHL for the year ended December 31, 2005, together with an audit report and including unaudited comparatives for the year ended December 31, 2004;
- 2. interim financial statements for GSHL for the period ended June 30, 2006 including comparatives to June 30, 2005;
- 3. pro forma financial statements for the Filer for its fiscal year ended October 31, 2005, together with a compilation report; and
- 4. interim pro forma financial statements for the Filer for the period ended July 31, 2006, together with a compilation report.

"Barbara Shourounis"
Director

Decision

The Decision Makers being satisfied that each has jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief

2.1.6 Energy Split Corp. Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – subdivided offering exempted from certain requirements of National Instrument 81-102 Mutual Funds since issuer is fundamentally different from a conventional mutual fund.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 10.3, 10.4, 14.1.

September 8, 2006

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

AND

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

AND

**IN THE MATTER OF
ENERGY SPLIT CORP. INC.**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from Energy Split Corp. Inc. (the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) that exempts the Filer from the following requirements of National Instrument 81-102 Mutual Funds (NI-102) in connection with the Class B Preferred Shares (the Preferred Shares) to be issued by the Filer and described in its preliminary prospectus dated August 10, 2006 (the Preliminary Prospectus) (collectively, the Requested Relief):

- (a) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order;
- (b) section 10.4, which requires that a mutual fund shall pay the redemption price for securities that

are the subject of a redemption order within three business days after the date of calculation of the net asset value per security used in establishing the redemption price; and

- (c) section 14.1, which requires that the record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund shall be calculated in accordance with section 14.1.

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

1. The Filer is a passive investment company whose principal undertaking is the holding of a portfolio of common shares of Canadian public companies (the Common Share Portfolio). The Filer has entered into a forward purchase and sale agreement (the Forward Agreement) on the Common Share Portfolio with a Canadian chartered bank (the Counterparty) pursuant to which the Counterparty has agreed to pay the Filer on the Redemption Date the economic return provided by a fixed portfolio of selected oil and gas royalty trusts (the Royalty Trust Portfolio) listed on the Toronto Stock Exchange (the TSX) which are held by an underlying fund (the Royalty Fund). The Common Share Portfolio and the Forward Agreement are the only material assets of the Filer.
2. The Filer completed its initial public offering of Capital Yield Shares (the Capital Yield Shares) and ROC Preferred Shares (the Previous ROC Preferred Shares) in September 2003. The Filer used the net proceeds of its initial public offering to acquire the Common Share Portfolio. In connection with its initial public offering, the Filer applied for and obtained an exemption (the Original Exemption) from certain provisions of NI-81-102. A copy of the letter granting the exemption is enclosed. Some aspects of the Original Exemption are based on facts and share attributes which have changed.

3. The Filer is in the process of a capital reorganization (the Reorganization) which will result in the issuance of the Preferred Shares. The Reorganization was approved by the holders of Capital Yield Shares of the Filer on July 28, 2006. The Reorganization will only be implemented if at least 1,165,500 Capital Yield Shares remain issued and outstanding following the exercise of the Special Retraction Right on or before August 4, 2006. By the close of business on August 4, 2006, 492,266 Capital Yield Shares had been tendered for retraction under the Special Retraction Right. As a result, 2,419,984 Capital Yield Shares will remain outstanding following September 16, 2006. All of the outstanding Previous ROC Preferred Shares will be redeemed on September 15, 2006 in accordance with their terms.
4. The Filer filed the Preliminary Prospectus on August 10, 2006 in respect of the offering (the Offering) of Preferred Shares. The Filer expects to file the final prospectus in respect of the Offering (the Final Prospectus) on or about September 7, 2006 and to close the Offering on or about September 14, 2006.
5. The Original Exemption does not deal with the Preferred Shares and the date by which shares must be surrendered for retraction has been changed pursuant to the Reorganization.
6. Upon the issuance of the Preferred Shares by the Filer, the Filer will be an issuer of securities which entitle the holder to receive an amount computed by reference to the value of a proportionate interest in the whole or part of the net assets of the Filer, within a specified period after demand. The Capital Yield Shares and the Preferred Shares may be surrendered for retraction at any time for a price based on "Unit Value" which is derived from a formula that is similar to a net asset value computation. Since the value of the Company's rights and obligations under the Forward Agreement is determined by reference to the value of the Royalty Fund, the Unit Value is linked to the value of the Royalty Fund.
7. It is the policy of the Royalty Fund to hold the royalty trusts comprising the Royalty Trust Portfolio and not to sell any such royalty trusts except as described in the Preliminary Prospectus.
8. It is expected that no additional Preferred Shares will be issued once the Filer is out of primary distribution.
9. The Preferred Shares are expected to be, and the Capital Yield Shares are, listed and posted for trading on the TSX. As a result, the holders of such shares will not have to rely exclusively (or even primarily) on the retraction privileges to provide liquidity for their investment.
10. The Filer will partially settle the Forward Agreement prior to the Redemption Date in order to fund: (i) quarterly distributions on the Preferred Shares and the Capital Yield Shares; (ii) retractions, redemptions and repurchases of Preferred Shares and Capital Yield Shares from time to time; and (iii) operating expenses and other liabilities of the Filer.
11. The Preferred Shares and Capital Yield Shares may be surrendered for retraction at any time. Retraction payments for Preferred Shares and Capital Yield Shares will be made on the Retraction Payment Date (as defined in the Preliminary Prospectus and the Final Prospectus) provided the Preferred Shares and Capital Yield Shares have been surrendered for retraction on or before ten business days prior to the relevant Valuation Date (as defined in the Preliminary Prospectus and the Final Prospectus).
12. The Filer will redeem any Capital Yield Shares and Preferred Shares outstanding on September 16, 2011.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted from the following requirements of NI 81-102:

- (a) Section 10.3 – to permit the Filer to calculate the retraction price for the Preferred Shares and Capital Yield Shares in the manner described in the Preliminary Prospectus and the Final Prospectus and on the applicable Valuation Date as defined in the Preliminary Prospectus and the Final Prospectus;
- (b) Section 10.4 – to permit the Filer to pay the retraction price for the Preferred Shares and Capital Yield Shares on the Retraction Payment Date, as defined in the Preliminary Prospectus and the Final Prospectus; and
- (c) Section 14.1 – to relieve the Filer from the requirement relating to the record date for payment of dividends or other distributions of the Filer, provided that it complies with the applicable requirements of the TSX.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

2.1.7 Bolivar Gold Corp. - 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

September 22, 2006

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

AND

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

AND

**IN THE MATTER OF
BOLIVAR GOLD CORP.**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (**Decision Maker**) in each of Ontario, Alberta, Manitoba, New Brunswick, Newfoundland and Labrador and Nova Scotia (the **Jurisdictions**) has received an application from Bolivar Gold Corp. (the **Filer**), an indirect wholly-owned subsidiary of Gold Fields Limited (**GFL**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that Bolivar be deemed to have ceased to be a reporting issuer under the Legislation (the **Requested Relief**);

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Yukon) with its head office and principal place of business in the Province of Ontario.
2. Prior to the completion of the Arrangement (as hereinafter defined), the Filer was a reporting issuer or had an equivalent status in each of the provinces of Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia and Ontario. The Filer was also a reporting issuer in British Columbia and on April 18, 2006 notified the British Columbia Securities Commission of its voluntary surrender of its status as a reporting issuer under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, effective May 1, 2006.
3. As at the closing on February 28, 2006, the Filer's authorized capital consisted of an unlimited number of common shares (the **Common Shares**), of which 122,352,000 Common Shares were issued and outstanding.
4. Prior to the completion of the Arrangement, Bolivar had outstanding (a) 8,947,832 share purchase options (each an **Option**) granted under its option plan and (b) an aggregate of 37,938,966 warrants, comprised of (i) 9,476,468 common share purchase warrants expiring March 17, 2008, exercisable at \$1.10 per warrant (the **Initial Warrants**), (ii) 19,421,588 common share purchase warrants expiring August 25, 2008, exercisable at \$1.75 per warrant (the **Series A Warrants**); and (iii) 9,040,910 common share purchase warrants expiring December 22, 2009, exercisable at \$3.25 per warrant (the **Series B Warrants**, and collectively with the Initial Warrants and the Series A Warrant, the **Warrants**).
5. The Filer's Common Shares were listed on The Toronto Stock Exchange (the "**TSX**") the under the symbol "BGC", and Warrants were listed on the TSX as follows: (i) the Initial warrants under the symbol "BGC.WT"; (ii) the Series A Warrants under the symbol "BGC.WT.A" and (iii) the Series B Warrants under the symbol "BGC.WT.B". The Common Shares and Warrants ceased to be listed and posted for trading on the TSX on March 6, 2006.
6. GFL is a major producer of precious metals incorporated pursuant to the laws of South Africa, a reporting company in the United States and listed on the JSE Securities Exchange, South Africa (primary listing), New York Stock Exchange, London Stock Exchange, Euronext in Paris and Brussels, and the SWX Swiss Exchange.
7. On December 1, 2005, pursuant to an arrangement agreement entered into between the Filer and GFL (the **Agreement**), the Filer and GFL agreed, through a court ordered plan of arrangement (the Arrangement), to acquire (indirectly through wholly-owned affiliates) all of the issued and outstanding securities of Bolivar (the **Acquisition**). Pursuant to the Agreement, GFL, through AcquisitionCo, agreed to pay Bolivar's securityholders the following consideration:
 - (a) for each Common Share, \$3.00 in cash;
 - (b) for each Initial Warrant, \$1.90 in cash;
 - (c) for each Series A Warrant, \$1.25 in cash;
 - (d) for each Series B Warrant, \$0.40 in cash; and
 - (e) for each Option, \$3.00 in cash less the exercise price of such Option.
8. The Acquisition required approval by 66⅔% of Bolivar's shareholders, as well as 66⅔% of Bolivar's warrantholders and optionholders (together with the shareholders, the Securityholders), voting together as a single class.
9. On January 11, 2006, GFL and Bolivar agreed to amend the Agreement to increase the consideration to be paid to holders of Common Shares and Warrants as follows:
 - (a) for each Common Share, \$3.20 in cash;
 - (b) for each Initial Warrant, \$2.20 in cash;
 - (c) for each Series A Warrant, \$1.65 in cash;
 - (d) for each Series B Warrant, \$1.00 in cash; and
 - (e) for each Option, \$3.20 in cash less the exercise price of such Option.
10. At the Filer's special meeting on January 12, 2006, the Securityholders approved the Arrangement.
11. On February 22, 2006, the Supreme Court of the Yukon Territory ordered that the Arrangement be approved.
12. On February 28, 2006, articles of arrangement attaching the Arrangement and having been approved by the Court were filed, and the Acquisition was closed.
13. As of March 1, 2006 all of the Common Shares are owned by 38978 Yukon Inc., a corporation

existing under the laws of the Yukon Territory and a wholly-owned subsidiary of GFL.

14. The Common Shares were delisted from the TSX on March 6, 2006. No other securities of the Filer are listed or quoted on any stock exchange or quotation system.
15. Neither GFL nor Acquisitionco is currently a reporting issuer, or the equivalent thereof, in any of the Jurisdictions, and none of these entities has any intention of becoming one.
16. The Applicant is in default of its obligation as a reporting issuer under the Legislation to file annual financial statements, related management's discussion and analysis and officers' certificates within 90 days of the financial year ended December 31, 2005.
17. The Applicant is in default of its obligation as a reporting issuer under the Legislation to file interim financial statements, related management's discussion and analysis and officers' certificates within 60 days of the end of its interim financial periods ended March 31, 2006 and June 30, 2006.
18. Other than as described in paragraphs 16 and 17, above, the Applicant is not in default of any of its obligations as a reporting issuer under the securities legislation of the Jurisdictions.

Decision

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

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

"Wendell S. Wigle"

"Suresh Thakrar"

2.1.8 IPC Securities Corporation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-105 Mutual Fund Sales Practices, s.9.1 – exemption from subsection 7.1(3) of NI 81-105 to participating dealers to pay a commission rebate for clients to switch to related funds and exemption from subsection 8.2(3) of NI 81-105 to permit participating dealers to provide evergreen disclosure of equity interests to clients – the relief will not be prejudicial to clients

Applicable Legislative Provisions

National Instrument 81-105 Mutual Funds Sales Practices , sections 7.1(3), 8.2(3) and 9.1.

August 31, 2006

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

and

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

and

**IN THE MATTER OF
IPC SECURITIES CORPORATION (IPC Securities),
IPC INVESTMENT CORPORATION (IPC Investment)
(collectively, the Filers) and
COUNSEL GROUP OF FUNDS INC. (Counsel)**

MRRS Decision Document

Background

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

1. an exemption under section 9.1 of National Instrument 81-105 Mutual Fund Sales Practices (NI 81-105) exempting the Filers and their representatives from:
 - (a) the prohibition contained in paragraph 7.1(3) of NI 81-105 prohibiting the Filers and their representatives from paying to a securityholder all or any part of a fee or

commission payable by the securityholder on the redemption of securities of a mutual fund that occurs in connection with the purchase by the securityholder of securities of another mutual fund that is not in the same mutual fund family (a commission rebate) where the Filer is a member of the organization of the mutual fund the securities of which are being acquired (the Commission Rebate Relief); and

- (b) the requirements to provide disclosure to clients of the Filers about equity interests held by certain representatives of the Filers required by subsection 8.2 (3) of NI 81-105 (the Equity Disclosure Relief); and

- 2. an order revoking a decision of the Decision Makers in favour of Counsel dated February 16, 2000 (the Original Decision) which granted an exemption from NI 81-105 concerning the payment by the Filers' sales representatives of certain commission rebates (the Revocation Order).

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 NI 81-105 and in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

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

- 1. IPC Investments is registered with the Decision Makers as a dealer in the category of mutual fund dealer (or equivalent). IPC Investments is also registered with the Ontario Securities Commission as a limited market dealer. IPC Investments is a member of the Mutual Fund Dealers Association of Canada.
- 2. IPC Securities is registered with the Decision Makers (other than the Decision Makers in Newfoundland and Labrador, Prince Edward Island and the three territories) as a dealer in the category of investment dealer (or the equivalent).

IPC Securities is a member of the Investment Dealers Association of Canada.

Corporate Structure and Relationships

- 3. As a result of the corporate acquisition and the relationships described below, the Filers are members of the organization of:
 - (a) the mutual funds managed by Counsel (the Counsel Funds);
 - (b) the mutual funds managed by Mackenzie Financial Corporation (MFC and mutual funds shall be referred to as the Mackenzie Funds); and
 - (c) the mutual funds managed by I.G. Investment Management, Ltd. (IGIM and the mutual funds shall be referred to as the IG Funds).

The Filers may in the future become members of the organization of other mutual funds, since the parent companies or an affiliate of the IPC Dealers (defined below) may acquire interests in corporations that are managers of mutual funds (Future Affiliated Funds).

- 4. Effective May 10, 2004, IGM Financial Inc. (IGM), a public company listed on The Toronto Stock Exchange, acquired by way of a plan of arrangement approximately 75 percent of the outstanding securities of IPC Financial Network Inc. As a result of the plan of arrangement, IPC Financial Network Inc. became a wholly-owned subsidiary of Investment Planning Counsel Inc. (IPCI) and IGM acquired approximately 75 percent of IPCI. Counsel and the Filers are indirect subsidiaries of IPCI. IGM also owns IGIM, the manager of the IG Funds and MFC, the manager of the Mackenzie Funds.
- 5. The Filers act as participating dealers in respect of the Counsel Funds and the Mackenzie Funds, as well as for mutual funds managed by unrelated fund managers. The Filers do not distribute securities of the IG Funds.
- 6. The Filers act independently from Counsel and have no connection with MFC, other than through IGM, being their common ultimate parent company. The Filers and the representatives of the Filers are free to choose which mutual funds to recommend to their clients and consider recommending the Counsel Funds and the Mackenzie Funds to their clients in the same way as they consider recommending other third party mutual funds. The Filers and their representatives comply with their obligations at law and only recommend mutual funds that they believe would be suitable for their clients and in accordance with the clients' investment objectives. Counsel and

MFC provide the Filers with the compensation and sales incentives described in the prospectus of the respective funds for distributing the Counsel Funds and the Mackenzie Funds in the same manner as Counsel and MFC do for any participating dealer selling securities of the Counsel Funds and the Mackenzie Funds to their clients. All compensation and sales incentives paid to the Filers by Counsel and MFC comply with NI 81-105.

The Commission Rebate Prohibition

7. The prohibition in paragraph 7.1(3) of NI 81-105 means that neither the Filers nor their representatives can provide commission rebates to their clients when those clients decide to switch into a Counsel Fund or a Mackenzie Fund from another mutual fund. Section 7.1 of NI 81-105 allows the Filers and their representatives to pay commission rebates when the client decides to switch from one third party fund to another third party fund, provided the disclosure and consent procedure established in section 7.1 is followed. Payment of commission rebates by the Filers and by their representatives benefit the client so that the client does not incur costs in switching from one fund to another.
8. Subsection 7.1(3) of NI 81-105 prohibits Counsel and MFC from paying any portion of the commission rebates and without this decision would prohibit the Filers and their representatives from providing a commission rebate in the circumstances described above.
9. Following implementation of NI 81-105 in May 1998, the Filers and Counsel considered the prohibition contained in paragraph 7.1(3) and its implications for switches into the Counsel Funds. After the Decision Makers granted relief from this prohibition to certain other dealers, Counsel applied to the Decision Makers for a similar exemption, on behalf of all current and future dealer-affiliates of Counsel (which included the Filers), from the prohibition to allow representatives of those dealers to pay commission rebates to clients of those dealers who switch from third-party mutual funds to a Counsel Fund, provided certain conditions were met. This exemption was provided pursuant to the Original Decision.
10. The Original Decision exempted, on specified conditions, sales representatives of the Filers from the prohibitions on payment of certain client rebates contained in section 7.1 of NI 81-105 to the extent necessary to allow sales representatives to pay the fees and commissions payable by clients upon redemption of third-party mutual funds when the clients wish to switch from those third-party funds to the Counsel Funds, to a maximum amount of the commission earned on the purchase of the Counsel Funds. The Filers continue to be prohibited from paying, directly or indirectly, any portion of the commission rebate in these circumstances, which means that the Filers cannot "top-up" any payment to a client by a representative. Clients switching into the Counsel Funds from a third-party fund therefore may not receive the full amount of the commission rebate to which they would otherwise be entitled under section 7.1 of NI 81-105 if the switch were not to a Counsel Fund.
11. The Original Decision no longer reflects Counsel's or the Filers' business, operations or corporate structure because it does not permit commission rebates to be paid when clients are switching from a third-party fund into a Mackenzie Fund or a Future Affiliated Fund.
12. Further the Original Decision creates a "reverse" incentive for clients to move from one third-party fund into another third-party fund, rather than into a Counsel Fund or a Mackenzie Fund, since then, Filers and representatives will be permitted to give those clients a full commission rebate. In circumstances where the representative believes that a Counsel Fund or a Mackenzie Fund is the most suitable mutual fund for the client, the Filers believe the prohibition inherent in the Original Decision to be not in the best interests of clients.
13. Counsel and the Filers wish the Decision Makers to revoke the Original Decision and replace it with this decision document, which exempts the Filers from paragraph 7.1(3) of NI 81-105 on the conditions set out in this decision.
14. Neither the Filers, nor any representative of the Filers, are or will be subject to quotas (whether express or implied) in respect of selling securities of the Counsel Funds or the Mackenzie Funds. None of the Filers, Counsel or MFC or any other member of the respective mutual fund organizations, provide any incentive (whether express or implied) to any representative of the Filers, or to the Filers to encourage those representatives or the Filers to recommend to clients the Counsel Funds or the Mackenzie Funds over third-party managed mutual funds.
15. Counsel and MFC comply with NI 81-105 in respect of sales incentives provided to the Filers in connection with sales of the applicable mutual funds. The Filers also comply with NI 81-105; in particular, section 4.1 of NI 81-105 in their compensation practices with their representatives.
16. The Filers believe that by imposing conditions that prohibit the members of the mutual fund organization, which would include the managers of the mutual funds, from reimbursing the Filers or their representatives for the commission rebates paid to the Filers' clients and requiring the Filers

and their representatives to offer commission rebates on identical terms to the Filers' clients without having such commission rebates conditional upon a switch to a related fund and regardless of whether the client switches to a third-party fund or a related fund, any potential for undue influence on the client is sufficiently mitigated. The conditions will not allow a Filer or its representatives to give commission rebates only when a client is switching to a related fund, or a Filer or its representatives to pay more of a commission rebate provided that the client switches to a related fund.

(1) the representatives of that Filer and their associates, in aggregate;

(2) Messrs Reynolds and Meehan and their respective associates (together with any other shareholder holding a more than 5 percent equity interest in IPCI); and

The Equity Interest Disclosure Requirement

17. As of July 20, 2006, Christopher Reynolds and Stephen Meehan are representatives and directors of IPC Investment. Messrs Reynolds and Meehan and their respective associates each hold securities of IPCI, representing approximately 7.67 percent of the outstanding securities of IPCI for a total of 15.34 percent. Sixty representatives of the Filers (49 representatives of IPC Investment and 11 representatives of IPC Securities) and their associates (other than Messrs Reynolds and Meehan) hold, collectively, approximately 8.13 percent of the outstanding securities of IPCI. No one representative and his or her associates (other than Messrs Reynolds and Meehan) holds more than 1 percent of the outstanding securities of IPCI. Other employees of IPCI or its subsidiaries and their respective associates hold, collectively, approximately 0.24 percent of the outstanding securities of IPCI. IPCI is in the process of introducing a stock option plan for its executive officers and employees with a total aggregate allotment of 6,500,000 common shares, which represents approximately 10 percent of the existing outstanding securities of IPCI. The number of securities of IPCI held by representatives, agents and employees, including Messrs Reynolds and Meehan, as well as the number of representatives holding shares of IPCI, changes from time to time, but given IGM's shareholdings, it is unlikely that the aggregate total shareholdings will be in excess of 35 percent of the outstanding securities of IPCI.

(3) the sales representative of that Filer and his or her associates, in aggregate, who is acting on the trade; and

(ii) that IGM holds approximately 76 percent of the securities issued by IPCI (as of July 20, 2006), which is the parent company of the Filers and of Counsel;

(b) pursuant to subsection 8.2(4), a purchaser of a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund from a Filer must consent to the trade after he or she receives the disclosure document before the trade can be completed; and

(c) pursuant to subsection 8.2(5), a Filer is not required to deliver the disclosure document or obtain the consent of a purchaser of securities of one of the Counsel Funds, the Mackenzie Funds or a Future Affiliated Fund if that purchaser has previously acquired such securities and received a disclosure document, if the information contained in that disclosure document has not changed.

18. Representatives of the Filers hold equity interests in IPCI. Without this Decision, subsections 8.2 (3), (4) and (5) of NI 81-105 would require the following:

(a) if a security of one of Counsel Funds, the Mackenzie Funds or a Future Affiliated Fund is traded by any representative of a Filer, the Filer must deliver to the purchaser of that security, a document that discloses:

(i) the amount of shares of IPCI owned by

19. With respect to trades in the Mackenzie Funds or a Future Affiliated Fund that is not managed by a subsidiary of IPCI (a Non-IPCI Fund), due to the only tangential connection between the Filers and MFC and the manager of the Non-IPCI Fund, as applicable, and, hence, the technical application only of the relevant sections of NI 81-105, the Filers seek a complete exemption from subsection 8.2(3)(4) and (5). Representatives hold equity interests in IPCI, which is a subsidiary of IGM and an affiliate of MFC. The performance of the representatives' equity interest in IPCI is not related to or dependent upon the performance of MFC or any manager of a Non-IPCI Fund.

20. The Mackenzie Funds, the Counsel Funds and the Future Affiliated Funds will comply with the disclosure obligations that apply to them as required by subsection 8.2(1) and (2) of NI 81-105. In this way, clients of the Filers making investments in these Funds will have access to complete information about the relationships between the relevant parties.

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 and the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under NI 81-105 and under the Legislation is that:

1. The Revocation Order is granted.
2. The Commission Rebate Relief is granted provided that
 - (a) For each switch made by a client of a Filer from an unrelated third-party fund to a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund or from a Counsel Fund to a Mackenzie Fund or a Future Affiliated Fund and vice versa where the Filer or one of its representatives agrees to pay a commission rebate to that client, the Filer and the representative will:
 - (i) comply with the informed written consent provisions of paragraph 7.1 (1)(a) and the disclosure and consent provisions of Part 8 of NI 81-105 (modified by the Equity Disclosure Relief);
 - (ii) advise the client, in writing and in advance of finalizing the switch, that any commission rebate proposed to be made available in connection with the purchase of a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund will
 - (A) be available to the client regardless of which mutual fund the redemption proceeds are to be invested in
 - (B) not be conditional on a purchase of a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund and

(C) in all cases, be not more than the amount of the gross sales commission earned by the Filer on the client's purchase of a Counsel Fund, Mackenzie Fund or Future Affiliated Fund and

(iii) in respect of the switch, not pay a commission rebate more than the amount referred to in paragraph (ii) (C) above.

(b) A Filer or its representatives that provide commission rebates will not be reimbursed directly or indirectly in respect of that commission rebate in connection with a switch to a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund by any member of the organization of that fund.

(c) Each Filer's compliance policies and procedures that relate to this decision will emphasize that any commission rebate agreed to be paid to a client by a representative cannot be conditional on the client acquiring a Counsel Fund, a Mackenzie Fund or a Future Affiliated Fund and will be made available to the client if the client wishes to switch to a unrelated third-party fund.

3. The Equity Disclosure Relief is granted provided that with respect to trades in the Counsel Funds or in a Future Affiliated Fund that is managed by a subsidiary of IPCI (an IPCI Fund):

(a) If a representative, other than Messrs. Reynolds and Meehan, trades in a security of a Counsel Fund or an IPCI Fund and that representative and/or the branch manager of that representative, holds securities in IPCI, then that representative will provide a disclosure document to that client that discloses that:

(i) the representatives of the Filer and their associates, in aggregate, hold no more than 35 percent of the securities of IPCI;

(ii) either or both, as applicable,

(A) the representative of the Filer, who is acting on the trade, and his or her associates, in aggregate, hold no

more than 5 percent of the securities of IPCI and

- (B) the branch manager of the representative of the Filer, who is acting on the trade, and his or her associates, in aggregate, hold no more than 5 percent of the securities of ICPI; and
 - (iii) the client may call a specified toll-free number and obtain the actual amount of the equity interests held in IPCI by above-noted individuals or groups of individuals.
- (b) If either of Messrs. Reynolds or Meehan trades in a security of a Counsel Fund or an IPCI Fund when he or any of his associates holds securities in IPCI, then he will provide a disclosure document to that client that discloses that:
- (i) the representatives of the Filer and their associates, in aggregate, hold no more than 35 percent of the securities of IPCI;
 - (ii) he and his associates, in aggregate, hold no more than 10 percent of the securities of IPCI; and
 - (iii) the client may call a specified toll-free number and obtain the actual amount of the equity interests held in IPCI by above-noted individuals or groups of individuals.
- (c) The Filers will comply with subsection 8.2(4) of NI 81-105 as modified by subsection 8.2(5) of NI 81-105, when they are required to give disclosure to clients in the circumstances set out above.

“Carol S. Perry”
Commissioner
Ontario Securities Commission

“Wendell S. Wigle”
Commissioner
Ontario Securities Commission

2.1.9 Western Lakota Energy Services Inc. - MRRS Decision

Headnote

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

Statutes Cited

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

September 21, 2006

Stikeman Elliott LLP

4300 Bankers Hall West
888 - 3 Street SW
Calgary, AB T2P 5C5

Attention: Kristi Kasper

Dear Madam:

Re: Western Lakota Energy Services Inc. (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario and Québec (the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that:

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

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

Relief requested granted on the 21st day of September, 2006.

Blaine Young
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.10 Mavrix Balanced Income and Growth Trust et al. - MRRS Decision

Headnote

MRRS - One time trade of securities between a closed end investment trust and conventional mutual fund in connection with proposed merger exempted from the conflict of interest restrictions in section 118(2)(b). Closed end investment trust received significant redemptions. Proposed merger received unitholder approval and funds' manager will bear all costs relating to proposed merger.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 118(2)(b) and 121(2)(a)(ii).

September 26, 2006

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

AND

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

AND

**IN THE MATTER OF
MAVRIX BALANCED INCOME AND GROWTH TRUST
AND
MAVRIX CANADIAN INCOME TRUST FUND
(collectively, the "Funds")**

AND

**MAVRIX FUND MANAGEMENT INC.
(the "Filer")**

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer, on behalf of the Funds for a decision under the securities legislation of the Jurisdictions (the "Legislation") granting relief from the restriction in the Legislation which prohibits a portfolio manager, or in British Columbia, a mutual fund or a responsible person, from purchasing or selling the securities of any issuer from or to the account of a responsible person or any associate of a responsible person in connection with a proposed merger (the "Proposed Merger") between Mavrix Balanced Income and Growth Trust (the "Trust") and Mavrix Canadian

Income Trust Fund (the "Mutual Fund") (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations:

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

- 1. The Filer intends to merge the Trust and the Mutual Fund (the "Proposed Merger"), which will involve the transfer of the assets and liabilities of the Trust in exchange for Class A Units of the Mutual Fund (the "Mutual Fund Units").
- 2. At the time the Proposed Merger is effected, the Filer will be the "portfolio manager" for the Funds for purposes of the Legislation. As portfolio manager, the Filer will be considered a "responsible person" for purposes of the Legislation.
- 3. The transfer of the investment portfolio of the Trust to the Mutual Fund by operation of the Proposed Merger may be considered a sale of securities caused by the Filer from the Trust to the account of an associate of the Filer, contrary to the Legislation.
- 4. The Mutual Fund is an "associate" of the Filer due to the fact that the Filer is its trustee.
- 5. Each Fund was established pursuant to a Declaration of Trust under the laws of the Province of Ontario and the Filer is the trustee and manager of the Funds.
- 6. The Trust offered its units in all of the Provinces of Canada pursuant to a final prospectus dated October 26, 2004 and closed its initial public offering on November 23, 2004. It is a reporting issuer, or equivalent, in the Jurisdictions.
- 7. The Mutual Fund first offered its units in all of the Provinces of Canada on or about June 27, 2003 and continues to offer securities under a simplified prospectus. It is a reporting issuer, or equivalent, in the Jurisdictions.

- 8. Unitholders of the Trust will be asked to approve the Proposed Merger at a special meeting to be held on September 14, 2006 (the "Meeting"). In connection with the Meeting, the Filer sent the unitholders a management information circular dated July 27, 2006 and a related form of proxy (the "Meeting Materials"). Subject to unitholder approval, the Proposed Merger will occur on or about October 2, 2006 (the "Effective Date").
- 9. It is anticipated that the following events will occur in order to give effect to the Proposed Merger:
 - (a) The Declaration of Trusts for the Funds will be amended as required in order to implement the Proposed Merger;
 - (b) The Trust will dispose of a portion of its securities to repay its loan facility;
 - (c) Prior to the Proposed Merger, the Trust and the Mutual Fund will make distributions of income and capital gains sufficient to ensure that neither will be liable for tax under Part 1 of the *Income Tax Act* (Canada) in the taxation year ending on the Effective Date;
 - (d) The Trust exchange ratio will be based upon the relative net asset value of the Funds as at the close of trading on the TSX on the day prior to the Effective Date;
 - (e) On the Effective Date, the Trust will transfer all of its assets to the Mutual Fund for consideration equal to the value of such assets on the day prior to the Effective Date (the "Purchase Price");
 - (f) On the Effective Date, the Mutual Fund will satisfy the Purchase Price by assuming the Trust's liabilities and by issuing to the Trust an appropriate number of Mutual Fund Units that has an aggregate value equal to the Purchase Price less the liabilities assumed.
 - (g) On the Effective Date, Trust units will be redeemed and the Filer will pay the redemption price thereof by delivering the Mutual Fund Units to the Trust unitholders with each Trust unitholder receiving its pro rata share of the Mutual Fund Units.
 - (h) All tax elections and tax returns in connection with the Proposed Merger will be prepared and filed by the Funds.
- 10. The Filer will file a press release and material change report to announce the merger.

11. The Proposed Merger has been proposed by the Filer, as trustee and manager of the Funds, to promote improved operational efficiencies and enhanced economic viability for the Funds. The Trust, with an initial size of \$36.7 million was small for a closed-end fund which resulted in the Trust's fixed costs being spread over relatively fewer Trust Units. These economics were adversely impacted on the most recent annual redemption date when the Fund experienced redemptions aggregating to \$10.47 million or approximately 22% of the Units. As a consequence of the Proposed Merger, Trust unitholders will enjoy enhanced liquidity and the opportunity to receive net asset value of their Mutual Fund Units on the disposition of such units on a daily basis. The Filer anticipates that, by merging the Trust into the Mutual Fund and thereby providing the liquidity by way of redemption rather than through the facilities of a stock exchange, the significant redemptions which the Trust has experienced in the past will be avoided.
12. The Proposed Merger will increase the assets in the merged fund to approximately \$56.8 million (based on current valuations), thus enabling the unitholders of the Trust to hold an investment in an entity that has a significantly larger portfolio. The Declaration of Trust requires that any further issuance of Trust units be made for net proceeds of not less than net asset value, which is impractical given that Trust units trade on the TSX at a discount to net asset value and accordingly, the Trust is limited in its ability to increase its portfolio.
13. It is intended that the Mutual Fund will continuously offer Mutual Fund Units for net asset value. Accordingly, the portfolio may be increased and this can be done without dilution to the existing Mutual Fund unitholders. The sale of additional Mutual Fund Units will benefit all unitholders of the Mutual Fund as an increase in the number of outstanding Mutual Fund Units will favourably affect the management expense ratio.
14. The Trust and Mutual Fund have similar investment strategies, are being managed similarly and their portfolios are substantially similar.
15. Trust unitholders will have the right to trade their Trust units over the TSX up to the close of business before the Effective Date.
16. If approved, the Proposed Merger will be effected on a qualifying exchange basis that provides a tax-deferred rollover to Trust unitholders. This will allow Trust unitholders to defer any capital gain on the exchange of their units until they sell or redeem the Mutual Fund Units.
17. No sales charges will be payable in connection with the acquisition by the Mutual Fund of the investment portfolio of the Trust and the Filer will bear all costs relating to effecting the Proposed Merger, not the Mutual Fund or the Trust.
18. In the opinion of the Filer, the Proposed Merger is in the best interest of the Trust, the Mutual Fund and their respective unitholders.
19. In the absence of this order, the Filer would be prohibited from purchasing and selling the securities of the Trust in connection with the Proposed Merger.

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.

"Harold P. Hands"

"Paul K. Bates"

2.1.11 Commonfund Securities, Inc. - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

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

Applicable Ontario Statutory Provisions

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

September 27, 2006

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

AND

**IN THE MATTER OF
COMMONFUND SECURITIES, INC.**

DECISION

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

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

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

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

1. The Applicant was incorporated under the laws of Delaware. The head office of the Applicant is located in Wilton, Connecticut. The Applicant is not a reporting issuer. The Applicant is currently seeking registration under the Ontario *Securities Act* in the category of non-resident limited market dealer.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).
3. The Applicant anticipates encountering difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.
4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.
5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).
6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

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

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

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

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

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

“Dina Dizon”

2.2 Orders

2.2.1 Juniper Fund Management Corporation et al. - s. 127(7)

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

AND

**IN THE MATTER OF
THE JUNIPER FUND MANAGEMENT CORPORATION,
JUNIPER INCOME FUND,
JUNIPER EQUITY GROWTH FUND
AND ROY BROWN
(a.k.a. ROY BROWN-RODRIGUES)**

**ORDER
Section 127(7)**

WHEREAS on March 8, 2006, the Ontario Securities Commission (the “Commission”) ordered pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) that all trading in the securities of the Juniper Income Fund and the Juniper Equity Growth Fund (the “Funds”) shall cease forthwith for a period of 15 days from the date thereof (the “Temporary Order”);

AND WHEREAS pursuant to sections 127(1) and 127(5) of the *Act*, a hearing was scheduled for March 23, 2006 at 10:00 a.m. (the “Hearing”);

AND WHEREAS the Respondents were served with the Temporary Order, the Notice of Hearing dated March 21, 2006, the Statement of Allegations dated March 21, 2006 and the Affidavit of Trevor Walz sworn March 17, 2006;

AND WHEREAS on March 23, 2006 the Respondents and Staff consented to an extension of the Temporary Order and to an adjournment of the Hearing to May 4, 2006:

AND WHEREAS Staff have advised that the Commission issued two Directions dated May 4, 2006 under section 126(1) of the *Act* freezing bank accounts of JFM, the Funds and Roy Brown without notice to any of the Respondents;

AND WHEREAS on May 4, 2006, the Commission ordered: (i) the Hearing adjourned to May 23, 2006; (ii) the Temporary Order extended to May 23, 2006; (iii) JFM not to be paid any monthly management fees; (iv) JFM's requests for funds to pay expenses incurred by the Funds to continue to be subject to approval by NBCN; (v) weekly lists of expenses by the Funds to continue to be provided to and reviewed by Staff; and (vi) neither JFM nor Roy Brown to deal in any way with the assets or investments of the Funds;

AND WHEREAS Staff have advised that on May 11, 2006 and June 30, 2006, the Ontario Superior Court of Justice (the "Superior Court") ordered that the two Directions dated May 4, 2006 freezing bank accounts of JFM, the Funds and Roy Brown be extended with the exception of the personal accounts and one JFM account as defined in the Superior Court orders dated May 11, 2006 and June 30, 2006;

AND WHEREAS Staff have advised that they do not intend to apply to the Superior Court to extend the Directions which are due to expire on September 30, 2006;

AND WHEREAS Staff have advised that on May 18, 2006, the Superior Court issued an ex parte order appointing Grant Thornton Limited as Receiver over the assets, undertakings and properties of JFM and the Funds (the "Receivership Order");

AND WHEREAS on May 18, 2006, the Commission granted leave to McMillan Binch Mendelsohn LLP to withdraw as counsel for the Respondents;

AND WHEREAS on May 23, 2006, the Commission ordered: (i) the Hearing adjourned to September 21, 2006; and (ii) the Temporary Order extended to September 21, 2006;

AND WHEREAS on June 2, 2006 the Receivership Order was confirmed and extended by the Superior Court and the First Report of the Receiver dated May 30, 2006 was filed with the Superior Court;

AND WHEREAS counsel for the Receiver advises that the Second Report of the Receiver is expected to be filed with the Superior Court by October 6, 2006;

AND WHEREAS counsel for Roy Brown, counsel for the Receiver and Staff of the Commission have consented to an adjournment of the Hearing and to an extension of the Temporary Order to November 8, 2006 in order to allow the Receiver to finalize its Second Report and hold a meeting of all unitholders and to permit Staff and the Receiver to continue their investigations;

IT IS ORDERED pursuant to subsections 127(2) and (7) of the *Act* that:

- (a) the Hearing is adjourned to November 8, 2006 at 10:00 a.m.; and
- (b) the Temporary Order is extended until November 8, 2006.

DATED at Toronto this "21st" day of September, 2006

"Susan Wolburgh Jenah"

"Suresh Thakrar"

2.2.2 BG Funds Management Limited and Brompton Funds Management Limited - s. 213(3)(b) of the Loan and Trust Corporations Act

Headnote:

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with a prior track record acting as trustee, for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited:

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., clause 213(3)(b).

September 19, 2006

Osler, Hoskin & Harcourt LLP

1 First Canadian Place
Suite 6100
Toronto, ON
M5X 1N8

Attention: Bridget Campbell

Dear Sirs/Mesdames:

Re: BG Funds Management Limited and Brompton Funds Management Limited (the "Applicants") – Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee

Further to your application dated August 30, 2006 (the "Application") filed on behalf of the Applicants, and based on the facts set out in the Application and the representation by the Applicants that the assets of Barclays Canada S&P®/TSX® Institutional Index Fund, Barclays Equal Weighted Income Fund and Barclays Corporate Bond Fund (the "Funds") and such other funds as Brompton Funds Management Limited ("BFML") may establish from time to time will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction or a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicants act as trustee of the Funds and that BFML act as trustee of such other funds which may be established and managed by BFML from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paul Bates"

"Harold Hands"

2.2.3 SFK Pulp Fund 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

August 15, 2006

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

AND

IN THE MATTER OF
SFK PULP FUND

AND

TD SECURITIES INC.,
NATIONAL BANK FINANCIAL INC.,
RBC DOMINION SECURITIES INC.,
SCOTIA CAPITAL INC. AND
DESJARDINS SECURITIES INC.

ORDER

(Section 74)

Background

The Ontario Securities Commission (the Commission) has received an application (the Application) from SFK Pulp Fund (the Issuer) and TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and Desjardins 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;

Decisions, Orders and Rulings

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.

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

“Erez Blumberger”
Assistant Manager, Corporate Finance

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

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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
Ced-Or Corporation	15 Sep 06	27 Sep 06	27 Sep 06	
Crystal Graphite Corporation	15 Sep 06	27 Sep 06	27 Sep 06	
Jite Technologies Inc.	19 Sep 06	29 Sep 06		22 Sep 06
Kasten Chase Applied Research Limited	15 Sep 06	27 Sep 06	27 Sep 06	
Printera Corporation	11 Sep 06	22 Sep 06	22 Sep 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

No report for this week.

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		
Fareport Capital Inc.	13 Sep 05	26 Sep 05	26 Sep 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 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		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
09/08/2006	1	Alliance Surface Finishing Inc. - Preferred Shares	113,300.00	10,000.00
09/14/2006 to 09/19/2006	2	Anadarko Petroleum Corporation - Notes	5,564,263.09	NA
09/13/2006	4	Asian Coast Development (Canada) Ltd. - Common Shares	2,300,000.00	230,000.00
09/22/2006	1	Benton Resources Corp. - Flow-Through Units	500,000.00	1,428,571.00
06/09/2006 to 09/16/2006	55	Black Pearl Minerals Consolidated Inc. - Units	1,510,390.08	8,391,056.00
09/18/2006	1	BNY Trust Company of Canada, as trustee of Apollo Trust - Notes	10,000,000.00	10,000,000.00
09/15/2006	1	BPC Acquisition Corp./Berry Plastic Holding Corporation - Notes	5,585,500.00	5,000.00
09/06/2006	1	Brighter Minds Media Inc. - Common Shares	NA	2,120,000.00
09/14/2006	45	Canext Energy Ltd. - Common Shares	6,075,000.00	4,500,000.00
09/14/2006	64	Cantex Energy Inc. - Flow-Through Shares	3,957,600.00	2,360,000.00
09/20/2006	14	Changfeng Energy Inc. - Common Shares	1,150,000.00	4,600,000.00
09/15/2006	26	Cogitore Resources Inc. - Flow-Through Shares	2,100,000.00	2,000,000.00
09/19/2006	7	Committee Bay Resources Ltd. - Units	150,248.80	55,000.00
09/15/2006	19	Emgold Mining Corporation - Units	759,121.20	1,426,202.00
09/13/2006	3	Endurance Gold Corporation - Common Shares	6,250.00	25,000.00
09/13/2006	19	Finlay Minerals Ltd. - Common Shares	518,500.00	3,456,667.00
09/11/2006	12	First Leaside Fund - Trust Units	829,199.00	818,480.00
11/06/2006 to 09/15/2006	20	General Motors Acceptance Corporation of Canada, Limited - Notes	4,630,077.14	4,630,077.14
09/13/2006	15	Genesis Limited Partnership #6 - Limited Partnership Units	1,619,250.00	340.00
09/14/2006	10	Glacier Ventures International Corp. - Receipts	38,695,101.00	12,898,367.00
09/12/2006 to 09/18/2006	8	Global Trader Europe Limited - Contracts for Differences	1,887.69	957.00
09/12/2006	40	iGaming Corporation - Units	5,450,000.00	21,750,000.00
09/12/2006	4	IGW Capital Ltd. - Bonds	75,400.00	754.00
09/12/2006	4	IGW Investments Ltd. - Common Shares	754.00	754.00
09/11/2006	1	J.F. Lehman Equity Investors II, L.P. - Limited Partnership Interest	33,570,000.00	30,000,000.00
09/15/2006	4	Kingwest Avenue Portfolio - Units	238,061.75	7,496.28
09/12/2006	62	Laricina Energy Ltd. - Flow-Through Shares	14,210,000.00	1,200,000.00
09/15/2006	31	Magnate Ventures Inc. - Units	750,000.00	15,000,000.00

Notice of Exempt Financings

09/11/2006	1	Member Partners' Consolidated Properties Limited Partnership - Limited Partnership Units	30,000.00	30,000.00
09/11/2006	1	New Solutions Financial (II) Corporation - Debenture	50,000.00	1.00
09/13/2006	9	NewStep Networks Inc. - Preferred Shares	4,626,030.55	NA
09/13/2006	3	Newstep Networks (U.S.) Inc. - Common Shares	9.34	NA
09/15/2006	59	Odin Mining and Exploration Ltd. - Units	2,726,145.00	12,981,642.00
09/08/2006	1	OneChip Photonics Inc. - Debentures	250,000.00	1.00
09/19/2006	4	Phoscan Chemical Corp. - Common Shares	1,100,000.00	5,500,000.00
09/08/2006 to 09/15/2006	10	Powertree Limited Partnership 2 - Limited Partnership Units	90,000.00	18.00
09/08/2006	6	Prima Developments Ltd - Units	262,840.00	1,347,898.00
09/15/2006	39	Renegade Oil & Gas Ltd. - Flow-Through Shares	1,120,700.00	640,400.00
09/14/2006	1	Richview Resources Inc. - Common Shares	3,500.00	10,000.00
09/14/2006	127	Rocher Deboule Minerals Corp. - Units	1,000,000.00	10,000,000.00
08/24/2006	4	Rubicon Minerals Corporation - Common Shares	18,750.00	15,000.00
09/15/2006	38	Sextant Strategic Opportunities Hedge Fund LP - Preferred Shares	4,405,709.43	658,020.00
09/13/2006	3	Sitka Trust - Notes	115,000,000.00	1,150,000.00
09/15/2006	33	St Andrew Goldfields Ltd - Receipts	10,000,000.50	6,666,667.00
09/15/2006	34	St Andrew Goldfields Ltd - Receipts	11,085,931.20	6,928,707.00
09/12/2006	64	Stealth Ventures Ltd. - Units	7,360,025.60	4,600,016.00
08/31/2006	3	Summer Street Capital II, L.P. - Limited Partnership Interest	2,210,600.00	2,000,000.00
07/17/2006 to 08/28/2006	46	Sustainable Energy Technologies Ltd. - Units	940,000.00	94.00
09/11/2006	23	Sutcliffe Resources Ltd. - Units	2,555,250.00	3,407,000.00
09/19/2006	2	The Goldman Sachs Group Inc. - Notes	58,460,943.70	NA
09/14/2006	9	The Jenex Corporation - Units	186,000.00	744,000.00
09/10/2006	1	The Rosseau Resort Developments Inc. - Units	299,900.00	1.00
09/14/2006	27	Tribune Resources Corp - Units	825,000.00	1,690,000.00
09/15/2006	13	True North Corporation - Common Shares	378,000.00	27,000,000.00
09/13/2006	7	Twin Mining Corporation - Common Shares	4,291,000.00	37,313,045.00
08/29/2006	1	United Protection Security Group Inc. - Common Shares	500,000.00	5,000,000.00
09/01/2006	1	van Biema Value Fund, Ltd. - Common Shares	6,633,600.00	6,000.00
09/08/2006	3	Ventus Energy Inc. - Debentures	29,000,000.00	NA
06/14/2006	19	Verona Development Corp. - Units	1,068,750.00	1,187,500.00
05/01/2006	98	Verona Development Corp. - Units	7,736,400.00	8,596,000.00
09/13/2006	88	Walton Alliston Investment Corporation - Common Shares	1,480,680.00	148,068.00
09/13/2006	9	Walton Alliston Ontario Limited Partnership 2 - Units	1,832,180.00	183,218.00
09/13/2006	19	Walton International Group Inc. - Notes	885,000.00	NA

Notice of Exempt Financings

08/22/2006	1	Wicked London Investment LLC - Limited Liability Interest	110,530.00	1.00
09/08/2006	1	Wimberly Apartments Limited Partnership - Units	74,434.65	95,027.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Atlantic Power Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated September 22, 2006

Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$90,002,050.00 - 8,531,000 Income Participating Securities and \$60,000,000 6.25% Convertible Secured Debentures due October 31, 2011

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
Dundee Securities Corporation

Promoter(s):

-

Project #995281

Issuer Name:

Atrium Biotechnologies Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated September 22, 2006

Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$62,094,000.00 - 3,930,000 - Subordinate Voting Shares
Price: \$15.80 per Subordinate Voting Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
National Bank Financial Inc.
GMP Securities L.P.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation

Promoter(s):

-

Project #995080

Issuer Name:

Exxel Energy Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated September 20, 2006

Mutual Reliance Review System Receipt dated September 20, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

MGI Securities Inc.

Promoter(s):

-

Project #994430

Issuer Name:

Galileo Absolute Return Fund
Galileo Canadian Active/Passive Fund
Galileo Energy Income Plus Fund
Galileo Fund
Galileo Global Active/Passive Fund
Galileo Money Market Fund
Galileo Small/Mid Cap Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated September 21, 2006

Mutual Reliance Review System Receipt dated September 26, 2006

Offering Price and Description:

Class A and F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Galileo Fund Inc.

Project #995157

Issuer Name:

Genesis Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 21, 2006

Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

(1) \$ * - * % Line of Credit Receivables-Backed Class A Notes, Series 2006-1 Expected Final Payment Date of * , 20**;

(2) \$ * - * % Line of Credit Receivables-Backed Class B Notes, Series 2006-1 Expected Final Payment Date of * , 20**;

(3) \$ * - * % Line of Credit Receivables-Backed Class C Notes, Series 2006-1 Expected Final Payment Date of * , 20**

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #994574

Issuer Name:

Genesis Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 21, 2006

Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

(1) \$ * - * % Line of Credit Receivables-Backed Class A Notes, Series 2006-2 Expected Final Payment Date of * , 20**;

(2) \$ * - * % Line of Credit Receivables-Backed Class B Notes, Series 2006-2 Expected Final Payment Date of * , 20**;

(3) \$ * - * % Line of Credit Receivables-Backed Class C Notes, Series 2006-2 Expected Final Payment Date of * , 20**

Underwriter(s) or Distributor(s):

TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #994575

Issuer Name:

MSP 2006 Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated September 22, 2006

Mutual Reliance Review System Receipt dated September 25, 2006

Offering Price and Description:

Maximum: \$20,000,000.00 (800,000 Units)
SUBSCRIPTION PRICE: \$25.00. MINIMUM PURCHASE: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Wellington West Capital Inc.

Promoter(s):

MSP Capital Corporation

Project #995515

Issuer Name:

Premium Brands Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated September 22, 2006

Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$25,000,320.00 - 2,155,200 Units Price: \$11.60 per Unit

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Raymond James Ltd.

Promoter(s):

PREMIUM BRANDS OPERATING GP INC.

Project #995073

Issuer Name:

Real Estate Asset Liquidity Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 20, 2006

Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

\$400,835,000.00 Commercial Mortgage Pass-Through
Certificates, Series 2006-2

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Promoter(s):

Royal Bank of Canada

Project #994530

Issuer Name:

Secunda International Limited
Principal Regulator - Nova Scotia

Type and Date:

Second Amended and Restated Preliminary Prospectus
dated September 25, 2006

Mutual Reliance Review System Receipt dated September
25, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Genuity Capital Markets G.P.

RBC Capital Markets

TD Securities Inc.

CIBC World Markets Inc.

GMP Securities L.P.

National Bank Financial Inc.

Fortis Securities LLC

Scotia Capital Inc.

Promoter(s):

-

Project #956693

Issuer Name:

Utility Split Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated September 25, 2006

Mutual Reliance Review System Receipt dated September
26, 2006

Offering Price and Description:

\$ • (Maximum) \$ • (Maximum) • Preferred Securities •
Capital Units Price: \$ 10.00 per Preferred Security and \$15
per Capital Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

Raymond James Ltd.

Blackmont Capital Inc.

Dundee Securities Corporation

Berkshire Securities Inc.

Desjardins Securities Inc.

Research Capital Corporation

Wellington West Capital Inc.

Promoter(s):

First Asset Funds Inc.

Project #995854

Issuer Name:

Westfield Real Estate Investment Trust
Principal Regulator - Manitoba

Type and Date:

Preliminary Short Form Prospectus dated September 25,
2006

Mutual Reliance Review System Receipt dated September
25, 2006

Offering Price and Description:

\$34,999,992.00 - 2,430,555 Units Price: \$14.40 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

CIBC World Markets Inc.

National Bank Financial Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

Bieber Securities Inc.

Desjardins Securities Inc.

Westwind Partners Inc.

Promoter(s):

-

Project #995715

Issuer Name:

Alaris Income Growth Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated September 18, 2006
Mutual Reliance Review System Receipt dated September 19, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Blackmont Capital Inc.
Acumen Capital Finance Partners Limited

Promoter(s):

Paramount Oil & Gas Ltd

Project #994026

Issuer Name:

AGF Global Perspective Class
AGF International Value Class
AGF International Value Fund
Principal Regulator - Ontario

Type and Date:

- Amendment No. 1 dated September 6th, 2006 to the Simplified Prospectuses dated April 18th, 2006 for the AGF International Value Class and AGF International Value Fund ; and
- Amendment No. 2 dated September 6th, 2006 to the Annual Information Forms dated April 18th, 2006 for the AGF Global Perspective Class , AGF International Value Class and AGF International Value Fund.

Mutual Reliance Review System Receipt dated September 20, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

-

Project #901498

Issuer Name:

Apoquindo Minerals Inc.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated September 21, 2006
Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

\$1,600,000.00 - 3,200,000 UNITS Price: \$0.50 per Unit

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

-

Project #969195

Issuer Name:

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

Type and Date:

Final Short Form Prospectus dated September 20, 2006
Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

\$750,000,000.00 - 750,000 Scotiabank Trust Securities—
Series 2006-1 (Scotia BaTS II_Series 2006-1) Price:
\$1,000 per Scotia BaTS II Series 2006-1

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #953287, 953288

Issuer Name:

Biomira Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Shelf Prospectus dated September 26, 2006
Mutual Reliance Review System Receipt dated September 26, 2006

Offering Price and Description:

U.S. \$100,000,000 .00 - Common Shares Preferred
Shares Debt Securities Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #992912

Issuer Name:

Black Diamond Income Fund
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated September 19, 2006
Mutual Reliance Review System Receipt dated September 20, 2006

Offering Price and Description:

\$35,000,000.00 - 3,500,000 Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

Raymond James Ltd.
GMP Securities L.P.
Blackmont Capital Inc.
Canaccord Capital Corporation
Tristone Capital Inc.
Acumen Capital Finance Partners Limited

Promoter(s):

Black Diamond Leasing Inc.

Project #978457

Issuer Name:

Canada Dominion Resources 2006 II Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated September 20, 2006
Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

Maximum 3, 000,000 Limited Partnership Units @ \$25 - \$75,000,000.00; Minimum 200 Limited Partnership Units @ \$25 - \$50,000.00

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Wellington West Capital Inc.

Promoter(s):

Canada Dominion Resources 2006 II Corporation

Project #927168

Issuer Name:

EnCana Corporation
Principal Regulator - Alberta

Type and Date:

Final MJDS Shelf Prospectus dated September 22, 2006
Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

US\$2,000,000,000.00 - Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #991021

Issuer Name:

Fortis Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 20, 2006
Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

\$125,000,000.00 - 5,000,000 FIRST PREFERENCE SHARES, SERIES F Price: \$25.00 per Series F First Preference Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
TD Securities Inc.
Beacon Securities Limited
Canaccord Capital Corporation

Promoter(s):

-

Project #992351

Issuer Name:

Globestar Mining Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 26, 2006
Mutual Reliance Review System Receipt dated September 26, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Jennings Capital Inc.
Westwind Partners Inc.
Canaccord Capital Corporation

Promoter(s):

-

Project #991219

Issuer Name:

Liquor Stores Income Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 22, 2006
Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$35,680,000.00 - 1,600,000 Units Price: \$22.30 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
National Bank Financial Inc.
Sprott Securities Inc.
Clarus Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.

Promoter(s):

The Liquor Depot Corporation
Liquor World Group Inc.

Project #992155

Issuer Name:

Mavrix Explore 2006 - II FT Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated September 22, 2006
Mutual Reliance Review System Receipt dated September 25, 2006

Offering Price and Description:

Maximum offering: \$50,000,000.00 (5,000,000 Units);
Minimum offering: \$5,000,000.00 (500,000 Units)
Minimum Subscription: 500 Units Subscription Price:
\$10.00 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
TD Securities Inc.
Dundee Securities Corporation
Scotia Capital Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
Raymond James Ltd.
HSBC Securities (Canada) Inc.
Wellington West Capital Inc.
IPC Securities Corporation
Bieber Securities Inc.
Desjardins Securities Inc.
Jory Capital Inc.
MGI Securities Inc.
Union Securities Ltd.
Industrial Alliance Securities Inc.
Integral Wealth Securities Ltd.

Promoter(s):

Mavrix Fund Management Inc.
Mavrix Explore 2006 - II FT Management Limited

Project #982338

Issuer Name:

Mavrix Explore Québec 2006 FT Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated September 22, 2006
Mutual Reliance Review System Receipt dated September 26, 2006

Offering Price and Description:

Maximum Offering - \$25,000,000.00 - 2,500,000 Limited Partnership Units @ \$10.00 per Unit

Underwriter(s) or Distributor(s):

Desjardins Securities Inc.
TD Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Berkshire Securities Inc.
Laurentian Bank Securities

Promoter(s):

Mavrix Exploration Quebec 2006 Ltd.

Project #988405

Issuer Name:

Meritage Canadian Equity Portfolio
Meritage Global Equity Portfolio
Meritage Conservative Portfolio
Meritage Moderate Portfolio
Meritage Balanced Portfolio
Meritage Growth Portfolio
Meritage Equity Portfolio
Meritage Conservative Income Portfolio
Meritage Moderate Income Portfolio
Meritage Balanced Income Portfolio
Meritage Growth Income Portfolio
Meritage Equity Income Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated September 25, 2006
Mutual Reliance Review System Receipt dated September 26, 2006

Offering Price and Description:

Advisor Series and F Series Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Altamira Investment Services Inc.

Project #970669

Issuer Name:

MRF 2006 II Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated September 20, 2006
Mutual Reliance Review System Receipt dated September 21, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
Haywood Securities Inc.
Middlefield Capital Corporation
Research Capital Corporation

Promoter(s):

MRF 2006 Resource Management Limited
Middlefield Group Limited

Project #983879

Issuer Name:

National Bank of Canada
Principal Regulator - Quebec

Type and Date:

Final Short Form Shelf Prospectus dated September 21, 2006
Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$2,500,000,000.00 - Medium Term Notes

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Merrill Lynch Canada Inc.
JP Morgan Securities Canada Inc.
RBC Capital Markets
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #990449

Issuer Name:

Pengrowth Energy Trust
Principal Regulator - Alberta

Type and Date:

Amended MJDS Shelf Prospectus dated September 20, 2006 to the MJDS Shelf Prospectus dated September 15, 2006

Mutual Reliance Review System Receipt dated September 20, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #991218

Issuer Name:

Sunstone Opportunity Fund (2006) Limited Partnership
Sunstone Opportunity (2006) Debenture Fund
Sunstone Opportunity (2006) Realty Trust
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated September 19, 2006
Mutual Reliance Review System Receipt dated September 20, 2006

Offering Price and Description:

Minimum: \$5,000,000.00; (4,000 Units) Maximum: \$45,000,000.00 (36,000 Units) \$1,250 per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Blackmont Capital Inc.
Sora Group Wealth Advisors Inc.
Raymond James Ltd.
Bieber Securities Inc.
Laurentian Bank Securities Inc.
MGI Securities Inc.

Promoter(s):

Sunstone Realty Advisors Inc.
Project #985145/985114/985133

Issuer Name:

VRB Power Systems Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated September 22, 2006
Mutual Reliance Review System Receipt dated September 22, 2006

Offering Price and Description:

\$10,000,000.00 - 15,384,616 Common Shares - Price: \$0.65 per Common Share

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
Clarus Securities Inc.
Research Capital Corporation

Promoter(s):

-

Project #991428

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Bullion Marketing Services Inc.	Limited Market Dealer	September 20, 2006
New Registration	Ittihad Securities Inc.	Limited Market Dealer	September 21, 2006
New Registration	Mackenzie Cundill Investment Management Ltd.	Investment Counsel & Portfolio Manager and Limited Market Dealer	September 25, 2006
Consent to Suspension (Rule 33-501 – <i>Surrender of Registration</i>)	Cundill Investment Research Ltd.	Extra-Provincial Limited Market Dealer and Investment Counsel and Portfolio Manager	September 25, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSX Inc. Notice - Filing of Housekeeping Amendments to the Rules of the Toronto Stock Exchange Relating to the Adoption of Universal Market Integrity Rules

TSX INC. NOTICE

FILING OF HOUSEKEEPING AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE ("EXCHANGE") RELATING TO THE ADOPTION OF UNIVERSAL MARKET INTEGRITY RULES ("UMIR")

Introduction

In November 2001, TSX Inc. ("TSX") adopted certain housekeeping amendments to the provisions in the Rules of the Toronto Stock Exchange, including its Policies, (the "Rules") relating to the adoption of UMIR (the "Amendments"), to be effective on the date determined by TSX that Market Regulation Services Inc. ("RS") was to commence to be the regulation service provider for TSX. That date was subsequently determined to be April 1, 2002. All Participating Organizations received prior notice on March 7, 2002 of the Amendments and their intended effective date. The Amendments were adopted by the TSX and now have been filed with and approved by Ontario Securities Commission ("OSC") in accordance with the terms of the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals dated October 23, 1997.

Substance

The Amendments delete or vary the provisions of the Rules where the subject matter is covered by UMIR.

Non-Public Interest Rule

The Amendments are not considered to be a "public-interest" rule amendment. The Amendments are administrative in nature, as they merely reflect the adoption of UMIR, which were approved by the OSC and other applicable provincial securities commissions. The Amendments do not impact any Rules that are specific to the Exchange.

Amendments

The amendments to the Rules of the Exchange are provided in Appendix "A". The amendments to the related Policies of the Exchange are provided in Appendix "B".

Effective Date

The Amendments became effective April 1, 2002.

APPENDIX "A"

TEXT OF AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE ON THE ADOPTION OF THE UNIVERSAL MARKET INTEGRITY RULES

THE RULES OF THE TORONTO STOCK EXCHANGE

The Rules of The Toronto Stock Exchange are hereby amended as follows:

1. Rule 1-101(1) is amended by adding the following as clause (e):
 - (e) defined or interpreted in UMIR has the meaning ascribed to it in that document.
2. Rule 1-101(2) is amended by deleting the following definitions:
 - (a) "client order";
 - (b) "non-Canadian account";
 - (c) "non-client order";
 - (d) "principal account";
 - (e) "short sale"; and
 - (f) "trades on a when issued basis".
3. Rule 1-101 is amended by deleting the definition of "Market Surveillance Official" and substituting the following:

"Market Surveillance Official" means:

 - (a) a Market Integrity Official where the administration of any Rule or Policy is undertaken by RS on behalf of the Exchange; and
 - (b) an employee of the Exchange designated by the Exchange to perform such functions and exercise such power.
4. Rule 1-101 is amended by adding the following definitions:

"RS" means Market Regulations Services Inc.

“UMIR” means the Universal Market Integrity Rules as adopted by RS and approved by the applicable securities regulatory authorities and in effect from time to time.

5. The following Rules are repealed:

- (a) Rule 2-401;
- (b) Rule 2-402(2) and (3);
- (c) Rule 2-404;
- (d) Rule 2-701;
- (e) Rule 3-103(4) and (5);
- (f) Rule 3-203;
- (g) Rule 3-208;
- (h) Rule 4-101;
- (i) Rule 4-102;
- (j) Rule 4-201;
- (k) Rule 4-202;
- (l) Rule 4-203;
- (m) Rule 4-204;
- (n) Rule 4-205;
- (o) Rule 4-206;
- (p) Rule 4-207;
- (q) Rule 4-301;
- (r) Rule 4-302;
- (s) Rule 4-303;
- (t) Rule 4-304;
- (u) Rule 4-306;
- (v) Rule 4-402;
- (w) Rule 4-501;
- (x) Rule 4-502;
- (y) Rule 5-106; and
- (z) Rule 5-107.

6. (1) Part 7 of the Rules is repealed.

(2) Despite subsection (1), any disciplinary hearing commenced:

- (a) by a Notice of Hearing and Particulars prior to the date that RS commences to be the regulation service provider for the Exchange shall be continued by the Exchange in accordance with the Exchange Requirements as in effect and applicable to such disciplinary proceedings on the date immediately prior to the date that UMIR commences to apply to trading on the Exchange; and
- (b) on or after the date that UMIR commences to apply to trading on the Exchange in respect of the breach or failure to comply with an Exchange Requirement shall be undertaken in accordance with Part 10 of UMIR and such person shall be subject to the imposition of any penalty or remedy under Rule 10.5 of UMIR as if the breach or failure to comply had been a breach or failure to comply with a Marketplace Rule after the date that UMIR commences to apply to trading on the Exchange.

7. The Rules are amended by adding the following as Rule 4-201:

General Compliance Requirement

Each Participating Organization and each person under the jurisdiction of the Exchange shall comply with all applicable:

- (a) securities legislation;
- (b) Exchange Requirements; and
- (c) provisions of UMIR.

APPENDIX "B"

**TEXT OF AMENDMENTS TO THE POLICIES OF
THE TORONTO STOCK EXCHANGE
ON THE ADOPTION OF
THE UNIVERSAL MARKET INTEGRITY RULES**

**THE POLICIES
OF
THE TORONTO STOCK EXCHANGE**

The Policies of The Toronto Stock Exchange are hereby amended as follows:

1. The following Policies are repealed:
 - (a) Policy 2-401;
 - (b) Policy 2-404;
 - (c) Policy 4-101;
 - (d) Policy 4-102;
 - (e) Policy 4-201;
 - (f) Policy 4-202;
 - (g) Policy 4-204;
 - (h) Policy 4-301;
 - (i) Policy 4-303;
 - (j) Policy 4-306;
 - (k) Policy 4-402;
 - (l) Policy 4-501; and
 - (m) Policy 4-502.

**13.1.2 CDS Rule Amendment Notice - Technical
Amendments to CDS Procedures - New
Exchange Procedures**

**THE CANADIAN DEPOSITORY FOR SECURITIES
LIMITED (CDS)**

TECHNICAL AMENDMENTS TO CDS PROCEDURES

NEW EXCHANGE PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

As a result of the creation of new trading platforms in the Canadian marketplace, CDS was asked by the members of the Equity Subcommittee of its Strategic Development Review Committee to make the necessary systems changes to allow CDS to process activity from these alternative trading platforms. In addition, CDS was asked to develop a solution which would minimize the impact to systems for the bring-on of future exchanges.

CDS has made the requested technical changes to its system to allow the processing of activity from new trading platforms. The proposed amendments are made in order to update existing procedures to address the bring-on of a new exchange.

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 CDS Trade and Settlement procedures document will add two source identifiers to the current list of five (5) source identifiers (DTCC, CDCC, TSE, CDNX, and CNQ):

- TCM for trades originating from the TriAct Canadian Marketplace
- PURE for trades originating from Pure Trading

The proposed amendments to the list of source identifiers will affect the following external reports inasmuch as the new source identifier may appear therein:

- Trade Reports: RMS 000073, 002194, and 001949
- Rejections Report: RMS 000200
- Corrections and adjustments report: RMS 000012
- Reconciliation reports: RMS 000379 and 001953

- Billing report: RMS 000027

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 CDS' settlement services. The proposed amendments are necessary in order to accommodate connectivity and information flow between CDS and any new exchange with which it needs to be linked.

The proposed technical changes to CDS' system and the amendments to the explanatory procedures associated with these changes will not affect Participants' interaction with CDSX or on-line functionality; current exchange trade-related processes will continue, and Participants will continue to recognize trades based on the market identifier.

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 14th, 2006.

D. QUESTIONS

Questions regarding this notice may be directed to:

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Legal Counsel
The Canadian Depository for Securities Limited
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JAMIE ANDERSON
Senior Legal Counsel

13.1.3 MFDA Sets Date for Lip Fee Chan Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR LIP FEE CHAN HEARING IN TORONTO, ONTARIO

September 26, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Lip Fee Chan (also known as Phillip Chan) by Notice of Hearing dated July 19, 2006.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today at 10:00 a.m. (Eastern) before a 3-member Hearing Panel of the MFDA Ontario Regional Council.

The commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Ontario Regional Council on Wednesday, January 17, 2007 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 174 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Jason D. Bennett
Registrar & Assistant Director, Regional Councils
(416) 943-7431 or jbennett@mfda.ca

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