The Ontario Securities Commission

OSC Bulletin

December 15, 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)

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

DECEMBER 15, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
Toronto, Ontario
M5H 3S8

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- -

THE COMMISSIONERS

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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

December 18, 2006 10:00 a.m.	**Research in Motion Limited** Paragraphs 127(1)2 and 2.1 M. Adams in attendance for Staff Panel: WSW/CSP
December 20, 2006 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
January 15, 2007 10:00 a.m.	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 M. MacKewn in attendance for Staff Panel: WSW/DLK
January 26, 2007 10:00 a.m.	**Philip Services Corp. and Robert Waxman** s. 127 K. Manarin/M. Adams in attendance for Staff Panel: PMM/RLS/DLK Colin Soule settled November 25, 2005 Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006

February 14, 2007 10:00 a.m.	**Thomas Hinke** s. 127 and 127.1 A. Sonnen in attendance for Staff Panel: TBA
February 27, 2007 10:00 a.m.	**Crown Capital Partners Ltd., Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: TBA
March 2, 2007 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST
March 8, 2007 10:00 a.m.	**First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman** s. 127 D. Ferris in attendance for Staff Panel: TBA
March 26, 2007 10:00 a.m.	**Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig*** s. 127 J. Waechter in attendance for Staff Panel: TBA * October 3, 2006 – Notice of Withdrawal
May 7, 2007 10:00 a.m.	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: TBA
May 23, 2007 10:00 a.m.	**Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney** s. 127 and 127.1 J. Superina in attendance for Staff Panel: TBA
May 28, 2007 10:00 a.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/DLK
October 12, 2007 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
October 29, 2007 10:00 a.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** S. 127 A. Sonnen in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Cornwall *et al*** s. 127 K. Manarin in attendance for Staff Panel: TBA

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

S. 127 & 127.1

K. Manarin in attendance for Staff

Panel: TBA

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

s.127

J. Superina in attendance for Staff

Panel: TBA

TBA **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

TBA **Euston Capital Corporation and George Schwartz**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

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 Toronto Stock Exchange Notice of Approval of Housekeeping Amendments to the Toronto Stock Exchange Company Manual

TORONTO STOCK EXCHANGE
NOTICE OF APPROVAL OF
HOUSEKEEPING AMENDMENTS TO
THE TORONTO STOCK EXCHANGE COMPANY MANUAL

On November 30, 2006, the TSX filed with the Commission housekeeping amendments to the TSX Company Manual. The amendments have been filed as "non-public interest" amendments pursuant to the *Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals* and are deemed to have been approved upon filing. The amendments came into effect on December 11, 2006. A TSX Notice and the amendments are being published in Chapter 13 of this Bulletin.

1.1.3 R. v. Rankin - Notice of Motion for Leave to Appeal Pursuant to s. 131 of the Provincial Offences Act

Court File No.: _____

COURT OF APPEAL FOR ONTARIO

B E T W E E N:

HER MAJESTY THE QUEEN

Applicant

- and -

ANDREW RANKIN

Respondent

NOTICE OF MOTION FOR LEAVE TO APPEAL PURSUANT TO SECTION 131 OF THE *PROVINCIAL OFFENCES ACT*

TAKE NOTICE that a motion will be made before the presiding Justice at Osgoode Hall, 130 Queen Street West, Toronto, Ontario, on the 2nd day of February, 2007 at 10:00 a.m. or as soon after that time as this motion can be heard, for an order under s. 131 of the *Provincial Offences Act* ("*POA*") granting leave to appeal from the judgment of the Honourable Mr. Justice I.V.B. Nordheimer given on the 9th day of November, 2006 at the City of Toronto allowing an appeal by the Respondent, Andrew Rankin, from the judgment of His Honour Judge R. Khawly given on the 15th day of July, 2005 at the City of Toronto convicting Andrew Rankin on 10 counts of informing another person of a material fact before the material fact has been generally disclosed ("tipping") contrary to s. 76(2) and s. 122 of the *Securities Act*, R.S.O. 1990, c. S. 5 as amended (the "Act").

THE SPECIAL GROUNDS FOR LEAVE TO APPEAL ARE:

1. The convictions against Andrew Rankin are the first convictions for the offence of tipping in Ontario under the *Securities Act*. The tipping prohibitions are designed to restrict misuse of confidential information in order to protect investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets, the two purposes of the Act set out in s. 1.1.

2. Rankin was a Managing Director in the Mergers & Acquisitions group at RBC Dominion Securities. After 25 days of trial, he was convicted of tipping confidential information on 10 different client deals over a 14 month period. The serious consequences of a senior officer of a major investment bank tipping confidential information on multiple corporate deals include harm to the clients of RBC Dominion Securities whose confidential information was at issue, harm to the reputation of his employer and the investment industry, harm to investors, and decreased confidence in the integrity of the capital markets.

3. The successful prosecution of such offences will normally depend upon the use of substantial circumstantial evidence as well as inferences arising from patterns in trading and patterns in association. The errors of law made by the *POA* Appeal Court Judge, in part, relate to the proper application of circumstantial evidence and similar fact evidence in a case such as this. His Judgment is the first precedent in this area of law and it will be binding on all future prosecutions, which must be brought by the Ontario Securities Commission at the Ontario Court level.

4. In light of the harm caused by the Respondent's offences, the multiple errors of law committed by the *POA* Appeal Court Judge in quashing the Respondent's convictions, and the binding, precedential effect of the *POA* Appeal Court decision, it is essential in the public interest and for the due administration of justice in future cases that leave to appeal be granted.

THE GROUNDS FOR APPEAL ARE:

1. The *POA* Appeal Court Judge erred in misapprehending and misapplying the standard of review pursuant to s. 120(1)(a)(ii) and (b)(iii) of the *Provincial Offences Act*. In particular, the *POA* Appeal Court Judge adopted a highly interventionist approach in substituting his view of the evidence for that of the trial judge and in substituting his view of the credibility of a witness, Daniel Duic, for that of the trial judge. Further, he misapprehended the evidence which he relied upon in substituting his views in a manner inconsistent with the trial record.

2. The *POA* Appeal Court Judge erred in that he misapprehended or misapplied the law regarding similar fact evidence in this case. In particular, he failed to assess the probative value of the overall patterns of trading (which was conceded at trial by the defence) and he erred in law in holding that the failure by the prosecution to call evidence of other examples of trading

(outside of the 10 counts) to show the "broader context" caused prejudice. This approach misapprehends and modifies the similar fact rule as applied to a multi-count Information in a manner inconsistent with the principles in *R. v. Arp* (1998), 129 C.C.C. 321 (S.C.C.), *R. v. Handy* (2002), 164 C.C.C. (3d) 481 (S.C.C.), and *R. v. Thomas* (2004), 190 C.C.C. (3d) 31 (Ont. C.A.).

3. The *POA* Appeal Court Judge erred in misapprehending and misapplying the standard of review regarding a trial judge's reasons as set out in *R. v. Sheppard* (2002), 162 C.C.C. (3d) 298 (S.C.C.). The *POA* Appeal Court Judge applied a highly exacting standard to individual words and phrases within the trial judge's lengthy reasons instead of applying the broad, functional and purposive standard in *R. v. Sheppard* to the reasons of a provincial court trial judge.

4 Section 131 of the *Provincial Offences Act*, R.S.O. 1980, c. S. 5 as amended.

5. Such further and other grounds as counsel may advise and this Honourable Court may permit.

IN SUPPORT OF THIS MOTION THE APPLICANT RELIES UPON THE FOLLOWING:

1. This Notice of Motion;
2. The proposed Notice of Appeal;
3. An affidavit to be sworn;
4. The Information;
5. The transcripts of the proceedings;
6. The Reasons for Judgment of the Honourable Mr. Justice I.V.B Nordheimer of the Superior Court of Justice, Provincial Offences Appeal Court, dated November 9, 2006;
7. The Reasons for Judgment of His Honour Judge R. Khawly of the Ontario Court of Justice (Provincial Division) dated July 15, 2005;
8. The Reasons for Sentencing of His Honour Judge R. Khawly of the Ontario Court of Justice (Provincial Division) dated October 27, 2005;
9. Such further and other materials as counsel may advise and this Honourable Court may permit.

THE RELIEF SOUGHT IS:

An Order granting leave to appeal from the Judgment of the Honourable Mr. Justice I.V.B. Nordheimer given on the 9th day of November, 2006 at the City of Toronto.

The Applicant's address for service is:

Ontario Securities Commission
20 Queen Street West
Toronto, ON, M5H 3S5
Attention: Kelley M. McKinnon

Michael Code
Phone: (416) 978-2677
Fax: (416) 978-2648
Email: michael.code@utoronto.ca

Kelley M. McKinnon
Phone: (416) 204-8975
Fax: (416) 593-2319
Email: kmckinnon@osc.gov.on.ca

The Applicant's address is:

Ontario Securities Commission
20 Queen Street West
Toronto, ON, M5H 3S5

DATED at Toronto this 11th day of December, 2006.

[Original Signed by Kelly M. McKinnon]

Ontario Securities Commission
Per: Kelley M. McKinnon

TO: The Registrar of this Honourable Court

AND TO: Andrew Rankin
Respondent
c/o Brian Greenspan
Greenspan Humphrey Lavine
15 Bedford Road
Toronto ON
M5R 2J7

1.2 Notices of Hearing

1.2.1 Peter Sabourin et al. - ss. 127, 127.1

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

AND

PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission at 20 Queen Street West, Toronto, in the Large Hearing Room, 17th Floor, commencing on December 20, 2006, at 10:00 a.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is to consider whether:

(a) pursuant to section 127(7) of the Act, to extend the Temporary Order made December 7, 2006;

(b) at the conclusion of the hearing, to make an order pursuant to clause 2 of section 127(1) that trading in any securities by the respondents cease permanently or for such period as is specified by the Commission;

(c) at the conclusion of the hearing, to make an order pursuant to clause 2.1 of section 127(1) that acquisition of any securities by the respondents is prohibited permanently or for such period as is specified by the Commission;

(d) at the conclusion of the hearing, to make an order pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the respondents permanently or for such period as is specified by the Commission;

(e) at the conclusion of the hearing, to make an order pursuant to clause 6 of section 127(1) that the respondents be reprimanded;

(f) at the conclusion of the hearing, to make an order pursuant to clause 7 of section 127(1) that each of the respondents resign all positions that they hold as a director or officer of an issuer;

(g) at the conclusion of the hearing, to make an order pursuant to clause 8 of section 127(1) that each of the respondents be prohibited from becoming or acting as a director or officer of any issuer;

(h) at the conclusion of the hearing, to make an order pursuant to clause 9 of section 127(1) that the respondents each pay an administrative penalty of $1,000,000 for each failure to comply with Ontario securities law;

(i) at the conclusion of the hearing, to make an order pursuant to clause 10 of section 127(1) that the respondents disgorge to the Commission any amounts obtained as a result of their non-compliance with Ontario securities law; and

(j) at the conclusion of the hearing, to make an order pursuant to section 127.1 that the respondents pay the costs of the investigation and hearing.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated December 7, 2006 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 7th day of December, 2006.

"John Stevenson
Secretary to the Commission

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

AND

PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION**

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

The Individual Respondents

1. Peter Sabourin ("Sabourin") is a resident of Huntsville, Ontario. Sabourin has never been registered with the Commission.

2. W. Jeffrey Haver ("Haver") is a resident of Richmond, Ontario. Haver was registered with the Commission as a salesperson of a mutual fund dealer and limited market dealer from April 28, 2000 until October 25, 2001. From November 8, 2001 until June 22, 2004, Haver was registered as a salesperson of a mutual fund dealer.

3. Greg Irwin ("Irwin") is a resident of Pickering, Ontario. Irwin has never been registered with the Commission.

4. Patrick Keaveney ("Keaveney") is a resident of Toronto, Ontario. Keaveney has never been registered with the Commission.

5. Shane Smith ("Smith") is a resident of Peterborough, Ontario. Smith was registered with the Commission as a salesperson of mutual fund dealer and limited market dealer from May 2, 1994 until September 29, 1995. From October 18, 1995 until November 17, 1997 Smith was registered as a salesperson of a mutual fund dealer and limited market dealer. From December 4, 1997 until February 16, 1998 Smith was a salesperson of a mutual fund dealer. From February 17, 1998 until November 10, 2004 Smith was registered as a salesperson of a mutual fund dealer and limited market dealer. In addition, Smith was registered as a branch manager from May 6, 2004 until November 10, 2004.

6. Andrew Lloyd ("Lloyd") is a resident of Peterborough, Ontario. Lloyd was registered with the Commission as a salesperson of a mutual fund dealer and limited market dealer from January 17, 1997 until May 2, 1997. From May 22, 1997 until February 16, 1998 Lloyd was registered as a salesperson of a mutual fund dealer. From February 17, 1998 until October 18, 1999 Lloyd was registered as a salesperson of a mutual fund dealer and a limited market dealer. From October 20, 1999 until July 29, 2005 Lloyd was registered as a salesperson of a mutual fund dealer and limited market dealer.

7. Sandra Delahaye ("Delahaye") is a resident of Oakville, Ontario. Delahaye was registered with the Commission as a salesperson of a broker and investment dealer from March 31, 1994 until April 26, 2005.

The Corporate Respondents

8. None of the corporate respondents are reporting issuers in Ontario, nor are they registrants in Ontario.

(a) Sabourin Companies

9. 2053978 Ontario Inc. was incorporated in Ontario in September 2004. Keaveney was the first director. In December 2004, 20539278 Ontario Inc. changed its name to Sabourin and Sun Inc. Keaveney is the sole director of Sabourin and Sun Inc.

10. Sabourin and Sun (BVI) Inc. was incorporated in the British Virgin Islands in November 1997. Sabourin and Keaveney are the directors of Sabourin and Sun (BVI) Inc.

11. Sabourin and Sun Group of Companies Inc. was incorporated in the British Virgin Islands in November 1997 as Chain Mail Investments Ltd. and was renamed Sabourin and Sun Group of Companies Inc. in January 2000. Sabourin and Sun (BVI) Inc. is the sole director of Sabourin and Sun Group of Companies Inc.

(b) Camdeton Companies

12. Camdeton Trading Ltd. was incorporated in Ontario in January 2005. Keaveney is the sole director of Camdeton Trading Ltd.

13. Camdeton Trading S.A. purports to have an office in Brussels, Belgium.

Dissolved Company

14. Sabourin and Sun Canada Inc. was incorporated federally on December 24, 1998 but was dissolved on November 2, 2005. Keaveney was the sole director of Sabourin and Sun Canada Inc.

Scope of Activity

15. Since August 2001 investments totalling at least $23.3 million have been sold to investors in Ontario and jurisdictions outside of Ontario.

The Sabourin and Camdeton Schemes

16. The Sabourin companies, including Sabourin and Sun Canada Inc., and the Camdeton companies, have been used to create investments which are sold to investors as offshore investment vehicles. The investments are a form of prime investment scheme, and we variously described as a "Letter of Credit Rental Program", a "Currency Exchange Program" and a "Trading Currency Contract," among other names.

17. The investments share several characteristics. Through promotional materials, representations and agreements and other documents signed by and presented to them, investors are promised that:

    (a) they will earn a fixed return, ranging from 15 to 22 percent;

    (b) the investment will be "locked in" for a fixed period; and

    (c) the principal and return on investment are "guaranteed."

18. Investors' funds are purportedly used or secured by international banks. In respect of certain investments, investors are made settlors and the "agents" of offshore trusts, typically in the British Virgin Islands.

Investment Contracts

19. The investments described herein are "investment contracts" and therefore "securities" as defined in section 1(1)(n) of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act").

Conduct Contrary to Ontario Securities Law and Conduct Contrary to the Public Interest

20. The activities of the respondents constituted trading in securities without registration in respect of which no exemption was available, contrary to section 25 of the Act.

21. The activities of the respondents constituted distributions of securities for which no preliminary prospectus and prospectus were issued nor receipted by the Director, contrary to section 53 of the Act.

22. The respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

DATED AT TORONTO this 7th day of December, 2006.

1.3 News Releases

1.3.1 OSC Commissioner Appointments: Margot Howard and Kevin Kelly

FOR IMMEDIATE RELEASE
December 7, 2006

OSC COMMISSIONER APPOINTMENTS:
MARGOT HOWARD AND KEVIN KELLY

TORONTO – Ontario Securities Commission Chair David Wilson announced today the appointments of Margot Howard and Kevin Kelly as Commissioners, effective December 6, 2006. Both appointments are for two years.

"Ms. Howard and Mr. Kelly have had long and distinguished careers and are very knowledgeable about the capital markets," Mr. Wilson said. "I know we will benefit from their expertise and experience, in particular with respect to investment products and the interests of retail and institutional investors"

Margot Howard is a Chartered Financial Analyst with 15 years' investment experience and extensive knowledge of the Canadian markets. Most recently, Ms. Howard was a portfolio manager with AMI Partners, where she focused on investing in Canadian companies. She is an active member of the CFA Institute and Women in Capital Markets and holds an MBA degree from the University of Western Ontario.

Kevin Kelly has more than 30 years' experience in the financial services industry. He served as President of Fidelity Brokerage Company, President and Chief Executive Officer of Fidelity Investments Canada Ltd., and President of Fidelity's Institutional Services Company. Prior to this, Mr. Kelly was the President and Chief Executive Officer of a number of prominent Canadian companies, including Bimcor Inc., The Investment Corporation of Saskatchewan, and Midland Walwyn Capital Corporation. Mr. Kelly holds a Bachelor of Commerce degree from Dalhousie University.

As the regulatory body responsible for overseeing the capital markets in Ontario, the Ontario Securities Commission administers and enforces the provincial Securities Act, the provincial Commodity Futures Act and administers certain provisions of the provincial Business Corporations Act. The Commission's mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in their integrity.

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

Carolyn Shaw-Rimmington
Manager, Public Affairs
416-593-2361

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

1.3.2 OSC Seeks Leave to Appeal the Decision in Respect of Andrew Rankin

FOR IMMEDIATE RELEASE
December 11, 2006

OSC SEEKS LEAVE TO APPEAL
THE DECISION IN RESPECT OF ANDREW RANKIN

TORONTO – The Ontario Securities Commission (OSC) today served a Notice of Motion seeking leave to appeal the decision of Mr. Justice Ian Nordheimer, dated November 9, 2006.

It is expected that the motion will be heard Friday, February 2, 2007 by a single Justice of the Court of Appeal for Ontario.

The Notice of Motion for Leave to Appeal is available at **www.osc.gov.on.ca**.

For Media Inquiries: Wendy Dey
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and Public Affairs
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1.4 Notices from the Office of the Secretary

1.4.1 Peter Sabourin et al.

FOR IMMEDIATE RELEASE
December 11, 2006

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

AND

IN THE MATTER OF
PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

TORONTO – The Office of the Secretary issued a Notice of Hearing on December 7, 2006 scheduling a hearing on December 20, 2006 at 10:00 a.m. in the above named matter.

A copy of the Notice of Hearing, Statement of Allegations and Temporary Order are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
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1.4.2 Research In Motion Limited

FOR IMMEDIATE RELEASE
December 13, 2006

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

AND

IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND OTHER INSIDERS OF RESEARCH IN MOTION LIMITED
(BEING THE PERSONS AND COMPANIES LISTED IN SCHEDULE "A" HERETO)

TORONTO – Further to the Commission Order dated November 7, 2006, and further to the direction of the Chair of the Panel, the Commission will hold a hearing on Monday, December 18, 2006 at 10:00 a.m. to hear a report on the status of Research in Motion Limited's continuous disclosure obligations.

A copy of the Notice of Hearing, Statement of Allegations, Temporary Order and Order dated November 7, 2006, are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Carolyn Shaw-Rimmington
Manager, Public Affairs
416-593-2361

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Glamis Gold Ltd. - s. 83

Headnote

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

Ontario Statutes

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

December 6, 2006

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

Dear Sirs / Mesdames:

Re: Glamis Gold Ltd. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

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

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

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

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

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

"Erez Blumberger"
Assistant Manager, Corporate Finance

2.1.2 Mellon Financial Markets, LLC - s. 7.1(1) of MI 33-109 Registration Information

Headnote

Application pursuant to section 7.1 of MI 33-109 that the Applicant be relieved from the Form 33-109F requirements in respect of certain of its nominal officers. The exempted officers are without significant authority over any part of the Applicant's operations and have no connection with its Ontario operation. The Applicant is still required to submit 33-109 F4s on behalf of its directing minds, who are certain "Executive Officers" and its Registered Individuals which are those officers involved in the Ontario business activities.

Statutes cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 147.

Rules cited

Multilateral Instrument 33-109 - Registration Information.

December 8, 2006

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

AND

IN THE MATTER OF
MELLON FINANCIAL MARKETS, LLC

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

UPON the application (the **Application**) of Mellon Financial Markets, LLC (the **Applicant**) to the Ontario Securities Commission (the Commission) pursuant to section 7.1 of Multilateral Instrument 33-109 – *Registration Information* (**MI 33-109**) for an exemption from the requirement in subsection 2.1(c) and section 3.3 of MI 33-109 that the Applicant submit a completed Form 33-109F4 for all Non-Registered Individuals of the Applicant in connection with the Applicant's registration as a limited market dealer (non-resident) in the category of limited market dealer;

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

AND UPON the Applicant having represented to the Director that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware, U.S.A and is a wholly-owned subsidiary of Mellon Financial Corporation, which is a publicly-traded company listed on the New York Stock Exchange. The head office of the Applicant is located in Pittsburgh, Pennsylvania, U.S.A.

2. The Applicant is concurrently applying for registration under the Securities Act of Ontario as a limited market dealer. The Applicant is currently registered as a broker-dealer with the United States Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc.

3. The Applicant's primary business activities are trading in securities with institutional investors, primarily large corporations and pension plans.

4. Less than 1 per cent of the aggregate consolidated gross revenues from trading activities of the Applicant in any one financial year would be expected to arise from the Applicant acting as a dealer for clients in Ontario.

5. All individuals who intend to engage in trading activities in Ontario on behalf of the Applicant and who are officers of the Applicant, will seek to become registered as trading officers (the **Registered Individuals**) in accordance with the registration requirement under section 25(1) of the *Securities Act* (Ontario) and the requirements of MI 31-102, by submitting a Form 33-109F4 completed with all the information required for a Registered Individual.

6. Pursuant to MI 33-109, a limited market dealer is required to submit, in accordance with Multilateral Instrument 31-102 – *National Registration Database* (**MI 31-102**), a completed Form 33-109F4 for each non-registered individual of the Applicant, including all directors and officers who have not applied to become registered individuals of the Applicant under subsection 2.2(1) of MI 33-109.

7. The Applicant's remaining directors and officers will not be seeking registration under the Proposed Registration Application (the **Non-Registered Individuals**). Pursuant to MI 33-109, a "non-registered individual" includes a director or officer of a firm who is not registered to trade on behalf of the firm. There are currently no individuals who would be included in the definition of "non-registered individual" by reason of an ownership interest in the Applicant or other criteria set out in MI-33-109.

8. Other than the Executive Officers (as defined below), the Applicant's remaining officers would not reasonably be considered to be senior officers of the Applicant from a functional point of view. These officers have the title "vice-president" or a similar title but is not in charge of a principal business unit, division or function of the Applicant and, in any event will not be involved or have oversight of, or direction over, the Applicant's

trading activities in Ontario (the **Nominal Officers**).

9. The Applicant considers its Non-Registered Individuals who will be seeking non-trading officer status (the **Executive Officers**) as the holders of its most senior executive positions and/or members of the Applicant's executive committee and/or are the individuals that are in direct contact with its Canadian clients from a marketing or direct client relationship perspective. There are currently 18 Executive Officers, 8 of whom are directors of the Applicant.

10. The Applicant seeks relief from the requirement to submit Form 33-109F4s for the Nominal Officers. The Applicant proposes to submit Form 33-109F4s on behalf of each of its Executive Officers completed with all the information required for a Non-Registered Individual. The Applicant also proposes to submit a Form 33-109F4 for its Designated Compliance Officer.

11. In the absence of the requested relief, the Applicant would require that in conjunction with its Proposed Registration Application, the Applicant submit a completed Form 33-109F4 for each of its Nominal Officers, rather than limiting this filing requirement to the much smaller number of Executive Officers. In addition, the Applicant would be required to submit a completed Form 33-109F4 for any additional new Nominal Officer, if the requested exemption is not granted. The information contained in the filed Form 33-109F4s would also need to be monitored on a constant basis to ensure that notices of change were submitted in accordance with the requirements of section 5.1 of MI 33-109.

12. Given the relatively small scope of the Applicant's proposed activities in Ontario and given that the Nominal Officers will not have any involvement in the Applicant's Ontario activities, the preparation and filing of Form 33-109F4s on behalf of each Nominal Officer would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant.

AND WHEREAS the Director is satisfied that it would be prejudicial to the public interest to make the requested Order on the basis of the terms and conditions proposed.

IT IS ORDERED pursuant to section 7.1 of MI 33-109 that the Applicant is exempt from the requirement in subsection 2.1(c) of MI 33-109 and section 3.3 of MI 33-109 to submit a completed Form 33-109F4 for each of its Non-Registered Individuals who are Nominal Officers not involved in its Ontario business, provided that at no time will the Nominal Officers include any Executive Officer or Designated Compliance Officer, or other officer who will be involved in, or have oversight of, the Applicant's activities in Ontario in any capacity.

"David M. Gilkes"

2.1.3 Atlantic Power Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102, s. 13.1 Continuous Disclosure Obligations - relief from the requirement to include certain interim and pro forma financial statements in a business acquisition report - The issuer filed a prospectus that included the financial information for the acquisition of a significant acquisition; the financial information in the prospectus was for a period that ended not more than one interim period before the financial information that would be required under Part 8 of NI 51-102; the issuer will incorporate by reference the financial information that was in the prospectus in the business acquisition report; the acquired business is not accounted for as a continuity of interests.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.2, 8.3, 8.4 & 13.1 and p. 1(d) of Form 51-102F4.
National Instrument 44-101 Short Form Prospectus Distributions, s. 10.1 of Form 44-101F1.

December 1, 2006

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

AND

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

AND

IN THE MATTER OF
ATLANTIC POWER CORPORATION (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**, and collectively the **Decision Makers**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to include the BAR Financial Statements (as defined below) required under Section 8.4 of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**) in the Business Acquisition Report (the **BAR**) to be filed by the Filer in connection with the Acquisition (as defined below), which was completed on September 15, 2006, (the **Requested Relief**).

Under National Policy 12-201 – Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

The Filer – Atlantic Power Corporation

1. The Filer is a corporation continued under the laws of the Province of British Columbia on July 8, 2005.

2. The Filer's registered head office is located at 355 Burrard Street, Suite 1900, Vancouver, British Columbia, V6C 2G8 and the head office of the Filer is located at 200 Clarendon Street, 55th Floor, Boston, MA, USA 02117.

3. The Filer completed its initial public offering on November 18, 2004 and is a reporting issuer in all of the Jurisdictions where such concept exists.

4. The income participating securities of the Filer (**IPSs**) are listed and posted for trading on the Toronto Stock Exchange (the **TSX**) under the trading symbol "ATP.UN". The Filer also has 6.25% convertible secured debentures due October 31, 2011 (**Convertible Debentures**) and common shares that are listed and posted for t rading on the TSX under the trading symbols "ATP.DB" and "ATP", respectively.

5. The Filer is not, to its knowledge, in default of any material requirements of the securities legislation of the Jurisdictions in which it is a reporting issuer, as at the date the Filer submitted its application for the Requested Relief. However, if the Requested Relief is not granted by November 29, 2006, the Filer will be in default of its requirement to file the BAR.

6. The Filer currently has 52,870,500 IPSs and Cdn$60,000,000 aggregate principal amount of Convertible Debentures outstanding. Each IPS is comprised of two components: a common share component and a subordinated note component. The two components comprising an IPS trade as a single security on the TSX.

7. The Filer currently holds approximately 86% of the common membership interests, all of the outstanding Class A preferred membership interests and all of the preferred special membership interests in Atlantic Power Holdings, LLC (**Atlantic Holdings**), a Delaware limited liability company. Certain investors that were the Filer's sponsors at the time of its initial public offering hold an approximate 14% of the common membership interests and all of the Class B preferred membership interests in Atlantic Holdings.

8. Although the Filer is a reporting issuer, or the equivalent, in Prince Edward Island, the Yukon, the Northwest Territories and Nunavut, an application is not being made to the securities regulatory authorities in these jurisdictions as we understand that NI 51-102 has not been adopted in these jurisdictions.

9. Although the Filer is also a reporting issuer in British Columbia, an application is not being made in British Columbia as BC Instrument 51-801 – Implementing National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* exempts issuers from Part 8 of NI 51-102 in British Columbia.

The Acquisition

10. On September 15, 2006, the Filer, through a subsidiary of Atlantic Holdings, completed the indirect acquisition (the **Acquisition**) of 100% of the equity interests in Trans-Elect NTD Holdings Path 15, LLC (**Path 15 Holdco**), which indirectly owns approximately 72% of the transmission system rights in the transmission line upgrade along the Path 15 transmission corridor located in central California.

11. The Acquisition was partially financed through borrowings under a term loan credit facility (the **Acquisition Credit Facility**) in the amount of USD$88 million, which was drawn on the closing of the Acquisition.

12. On September 22, 2006, the Filer filed a preliminary short form prospectus in all of the provinces and territories of Canada for an offering of approximately Cdn$90 million of IPSs and approximately Cdn$60 million of Convertible Debentures (the **Offering**). Approximately Cdn$42 million of the net proceeds of the Offering were used to repay a portion of the amount outstanding under the Acquisition Credit Facility.

13. On October 2, 2006, the Filer filed its (final) short form prospectus (the **Prospectus**) in each of the provinces and territories of Canada in connection with the Offering.

14. On October 11, 2006, the Filer closed the Offering.

The Prospectus Financial Statement Requirements

15. NI 44-101 sets forth the financial statements that are required to be included or incorporated by reference in a short form prospectus including financial statements relating to a "significant acquisition" (the **Prospectus Financial Statement Requirements**).

16. Applying the significance tests set forth in Item 10 of NI 44-101, the Acquisition was determined to be a significant acquisition at the 20% to 40% level.

17. In compliance with the requirements of Item 10 of Form 44-101F1, the Prospectus contained the following financial statements relating to the Acquisition:

    (a) the audited consolidated financial statements of Path 15 Holdco as at December 31, 2005 and 2004 and for the years then ended (the **Prospectus Annual Financial Statements**);

    (b) the unaudited consolidated financial statements of Path 15 Holdco as at June 30, 2006 and December 31, 2005 and for the six months ended June 30, 2006 and 2005 (the **Prospectus Interim Financial Statements**); and

    (c) the unaudited pro forma consolidated balance sheet of the Filer as at June 30, 2006 and the pro forma unaudited consolidated statements of income for the six months ended June 30, 2006 and for the year ended December 31, 2005 (the **Prospectus Pro Forma Financial Statements**, and the Prospectus Pro Forma Financial Statements, the Prospectus Interim Financial Statements and the Prospectus Annual Financial Statements being collectively referred to herein as the **Prospectus Financial Statements**).

18. All material facts in respect of Path 15 Holdco and the Acquisition at the time the Prospectus was filed, including all required financial statements, were provided in the Prospectus. To the knowledge of the Filer since the time the Prospectus was filed on October 2, 2006, there has not been any change in the business or affairs of Path 15 Holdco that is material and adverse to the Filer.

Continuous Disclosure since the Acquisition

19. On November 9, 2006, the Corporation filed interim financial statements for the interim period ended September 30, 2006 (the **Interim Financial Statements**). The Interim Financial Statements included a consolidated balance sheet as at September 30, 2006 and December 31, 2005, and consolidated statements of income and deficit and consolidated statements of cash flows, each for the three and nine month periods ended September 30, 2006. The Interim Financial Statements gave effect to the Acquisition as of September 15, 2006.

20. The Corporation's management's discussion and analysis (**MD&A**) that was filed concurrently with the Interim Financial Statements presented consolidated operating results for the three and nine months ended September 30, 2006. These consolidated results include the actual results of the Corporation over the applicable period and compared those results to the results of the Corporation for the same period in the prior year. The results of Path 15 Holdco are included from September 15, 2006, the closing date of the Acquisition.

21. A copy of each of the Interim Financial Statements and the MD&A are available on SEDAR.

The Business Acquisition Report Financial Statement Requirements

22. Pursuant to the requirements of Part 8 of NI 51-102 the Corporation is required to file a BAR relating to the Acquisition within 75 days after the date of the Acquisition.

23. To comply with the requirements of Section 8.4 of NI 51-102, the Corporation is required to include the following financial statements in the BAR:

    (a) audited annual financial statements of Path 15 Holdco for the year ended December 31, 2005 prepared in compliance with Section 8.4(1) of NI 51-102 (the **BAR Annual Financial Statements**);

    (b) unaudited interim financial statements of Path 15 Holdco for the six months ended June 30, 2006 and 2005 prepared in compliance with Section 8.4(2) of NI 51-102 (the **BAR Interim Financial Statements**); and

    (c) unaudited pro forma consolidated income statement of the Filer for the nine months ended September 30, 2006 (the **BAR Pro Forma Interim Income Statement**) and for the year ended December 31, 2005 prepared in compliance with Section 8.4(3) of NI 51-102 (the **BAR Pro Forma Annual Income Statement**, and the BAR Pro Forma Annual Income Statement, the Bar Pro Forma Interim Income Statement, the BAR Interim Financial Statements, and the BAR Annual Financial Statements being collectively referred to herein as the **BAR Financial Statements**).

Interplay between the Prospectus Financial Statement Requirements and the BAR Financial Statement Requirements

24. All financial statements that are required to be included in the BAR were included in the Prospectus except that Section 8.4(3)(b) requires the BAR to include the BAR Pro Forma Interim Income Statement.

Decision

The Decision Makers are satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met.

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

(a) the Filer incorporates by reference the Prospectus Financial Statements in the BAR; and

(b) the Acquisition is not accounted for as a continuity of interests.

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

2.1.4 Canadian Medical Discoveries Fund Inc. and Canadian Medical Discoveries Fund II Inc. - MRRS Decision

Headnote

MRRS – ss. 5.5(1)(b) and 19.1 of National Instrument 81-102 Mutual Funds (NI 81-102) – Approval of an amalgamation of labour sponsored investment funds – approval is required because the amalgamation does not meet all of the pre-approval requirements in s. 5.6(1) of NI 81-102.

Applicable Legislative Provisions

National Instrument 81-102 – Mutual Funds, ss. 5.5(1)(b), 5.6(1), 5.7(1)(b).

November 24, 2006

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

AND

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

AND

IN THE MATTER OF
CANADIAN MEDICAL DISCOVERIES FUND INC.
(CMDFI)
AND CANADIAN MEDICAL DISCOVERIES FUND II INC.
(CMDFII)
(CMDFI and CMDFII collectively,
the Filers or the Funds)

MRRS DECISION DOCUMENT

Background

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

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

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

The Funds

1. CMDFI is a corporation incorporated under the laws of Canada, is registered as a labour sponsored investment fund corporation (an LSIF Corporation) registered under the *Community Small Business Investments Funds Act* (Ontario), as amended (the Ontario Act) and is a registered labour-sponsored venture capital corporation under the *Income Tax Act* (Canada) (the ITA). CMDFI currently has assets under management of approximately $192.4 million.

2. CMDFII is a corporation incorporated under the laws of Canada, is registered as an LSIF Corporation under the Ontario Act and is a prescribed labour-sponsored venture capital corporation under the ITA. CMDFII currently has assets under management of approximately $14.7 million.

3. The registered office of both Funds is located at BCE Place, 181 Bay Street, Suite 3740, Toronto, Ontario.

4. CMDFI is offered in each of the provinces and territories of Canada pursuant to a prospectus dated December 21, 2005, as amended February 8, 2006 and October 12, 2006. CMDFII is offered in each province and territory of Canada other than Saskatchewan, New Brunswick and Nova Scotia pursuant to a prospectus dated December 2, 2005, as amended and restated December 21, 2005 as amended February 8, 2006 and October 12, 2006 in respect of CMDFII (the CMDFI and CMDFII prospectuses as amended are referred to herein as the Prospectuses).

5. Medical Discovery Management Corporation (MDMC) is the manager of the Funds and The Professional Institute for the Public Service of Canada is the sponsor of the Funds (the Sponsor). MDMC and the Sponsor will be the manager and sponsor of the amalgamated company, Canadian Medical Discoveries Fund Inc. (the AmalCo).

6. The investment objectives of CMDFI are as follows:

   "To achieve long-term capital appreciation through investments in eligible Canadian businesses engaged in the health sciences sector, with emphasis on those businesses involved in early-stage commercialization of research or product development."

   The investment objectives of CMDFIII are as follows:

   "To achieve long-term capital appreciation through investment in eligible Canadian businesses engaged in the health sciences sector, with emphasis on those businesses involved in the Product Testing and Development, or Production and Marketing stages of development."

7. MDMC submits that the Investment Objectives of CMDFI and CMDFII are substantially similar. The investment objectives of the AmalCo will be as follows:

   "To achieve long-term capital appreciation through investment in eligible Canadian businesses engaged in the health sciences sector, with emphasis on those businesses involved in the Testing and Development, or Production and Commercialization stages of development."

8. The management fee charged to CMDFI by MDMC is the same as the management fee charged to CMDFII by MDMC and the performance fee charged to CMDFI by MDMC is the same as the performance fee charged to CMDFII by MDMC. AmalCo will be charged the same management and performance fees MDMC as are currently charged to CMDFI and CMDFII.

9. MDMC submits that the investment strategies and processes, management fees, investment restrictions and practices, net asset value calculation method, and purchase and redemption process of the Funds are substantially the same.

The Amalgamation

10. Pursuant to an amalgamation agreement between CMDFI and CMDFII (the Amalgamation Agreement), CMDFI Class A shareholders will be entitled to receive, in exchange for their CMDFI Class A Shares, a number of Class A Shares in the capital of AmalCo that is equal in value to the closing net asset value of their CMDFI Class A Shares from the business day prior to the effective date of the Amalgamation (being their number of CMDFI Class A Shares multiplied by the closing net asset value per Class A Share on the business day prior to the effective date) divided by $10.

11. Pursuant to the Amalgamation Agreement, CMDFII Class A shareholders will be entitled to receive, in exchange for their CMDFII Class A Shares, a number of Class A Shares in the capital of AmalCo that is equal in value to the closing net asset value of their CMDFII Class A Shares from the business day prior to the effective date of the Amalgamation (being their number of CMDFII Class A Shares multiplied by the closing net asset value per Class A Share on the business day prior to the effective date) divided by $10.

12. Shareholders of the Funds will continue to have the right to redeem their securities for cash at any time up to the close of business on November 29, 2006 (being the day immediately preceding the anticipated closing date), subject to regular early redemption fees and the withholding of amounts previously received by such shareholders as Federal and Ontario tax credits.

13. The Amalgamation, if approved by shareholders of the Funds and completed, is viewed by MDMC to be beneficial to shareholders of the Funds for the following reasons:

    (a) AmalCo will offer each Fund greater capital resources to make investments as appropriate opportunities arise. Amalco's larger capital resources will permit it to maximize shareholder value by providing the companies in which it invests with the ability to meet their full growth potential;

    (b) AmalCo will offer the Funds the opportunity to be part of an LSIF corporation with greater resources, thereby realizing greater economies of scale and lowering the cost of administration per shareholder;

    (c) AmalCo will offer the Fund's shareholders investment objectives which are substantially similar to the investment objectives of each Fund; and

    (d) AmalCo will provide CMDFII significantly greater portfolio liquidity to fund future redemption requests.

14. There will be no sales charges or commissions payable in connection with the acquisition of shares of the Funds by shareholders of the Funds under the Amalgamation Agreement.

15. The Amalgamation will be a "qualifying exchange" under the ITA. The Amalgamation will result in a tax-deferred rollover for each of the Funds and in general, a continuity of tax accounts.

16. Section 27.1(3) of the Ontario Act provides that new shares issued on an amalgamation in replacement of shares that were issued by a

predecessor corporation shall be deemed to have been issued at the time that the predecessor corporation issued the replaced shares, meaning that the period prior during which shareholders of the Funds seeking to redeem the shares would be subject to "claw-back" of tax credits granted on the original issuance of such shares will not be affected.

17. The Class A Shares of AmalCo to be issued pursuant to the Amalgamation will have the same attributes as the Class A Shares of the Funds and the redemption features and tax credits previously received by shareholders on the acquisition of Class A Shares of the Funds will be unaffected by the Amalgamation.

18. The Funds complied with Part 11 of National Instrument 81-106 – *Investment Fund Continuous Disclosur*e in connection with the Amalgamation.

19. Class A shareholders of the Funds will be entitled to dissent from the Amalgamation pursuant to the provisions of section 190(1) of the *Canada Business Corporations Act* (the CBCA).

20. Class A shareholders who exercise their dissent right will be entitled to receive the net asset value of his or her Class A shares as at the end of business on the date prior to the approval of the Amalgamation resolution by the Class A shareholders of CMDFI or CMDFII, as the case may be, will be required to repay federal and Ontario tax credits and may realize a capital gain or loss on receipt of payment for his or her Class A Shares.

21. The Sponsor, as the holder of all Class B Shares of the Funds, is expected to approve the Amalgamation by delivering a Unanimous Shareholder Special Resolution prior to November 30, 2006.

22. The Class A shareholders of the Funds will meet consecutively to approve the Amalgamation on November 30, 2006.

23. The Funds will file Articles of Amalgamation pursuant to section 185 of the CBCA with a view to receiving a certificate of amalgamation from Industry Canada dated November 30, 2006.

24. The Funds will continue thereafter under the name "Canadian Medical Discoveries Fund Inc." in English and in French "Fonds De Decouvertes Medicales Canadiennes Inc."

25. Concurrently with the closing of the Amalgamation on or about November 30, 2006 CMDFI intends to file a final renewal prospectus disclosing the revision of its investment objectives. Thereafter, AmalCo will continue sales of Class "A" shares pursuant to such prospectus.

26. The costs of implementing the Amalgamation will be borne by MDMC.

27. The Funds cannot rely on section 5.6(1) of NI 81-102 for the following reasons:

    (a) the Amalgamation does not contemplate the wind-up of either Fund;

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

Shareholder Disclosure

28. A press release dated October 6, 2006 with respect to the Amalgamation was filed on SEDAR on October 6, 2006.

29. A material change report dated October 16, 2006 with respect to the Amalgamation was filed on SEDAR on October 16, 2006.

30. Amendments to the Prospectuses of the Funds dated October 12, 2006 with respect to the Amalgamation were filed on SEDAR on October 17, 2006.

31. A Joint Management Information Circular (the Circular) was mailed to all Class A shareholders of the Funds on October 24, 2006 and an Annual and Special Meeting of Shareholders will be held on November 30, 2006. The Circular contains details of the Amalgamation, including income tax considerations associated with the Amalgamation. Also, the annual financial statements of the Funds dated August 31, 2006 were included with the mailing of the Circular.

Decision

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

The decision of the Decision Makers under NI 81-102 is that the Requested Relief is granted provided that:

(a) the Funds have disclosed in their Circular information about the Amalgamation and prospectus like disclosure concerning the AmalCo and the shares to be issued under the Amalgamation including information regarding fees, expenses, investment objectives, investment strategies, valuation procedures, the manager, the investment manager, redemptions, income tax considerations, dividend policy, net asset value and risk factors; and

(b) the Funds have included in their Circular a pro forma balance sheet for AmalCo derived from the Funds' August 31, 2006 audited financial statements and disclosed in their Circular that audited financial statements of the Funds as at and for the periods ended August 31, 2006, can be obtained at no cost by accessing the SEDAR website at www.sedar.com.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

2.1.5 Legg Mason Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act R.S.O. 1990, c.s.5, as am., s. 83 - Applicant is seeking relief to be deemed to have ceased to be a reporting issuer in compliance with the requirements set out in CSA Notice 12-307- Applicant no longer requires to be a reporting issuer.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.
CSA Staff Notice 12-307 - Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications. (2003) 26 OSCB 6348.

November 17, 2006

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

AND

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

AND

**IN THE MATTER OF
LEGG MASON CANADA INC. ("LMC")**

AND

**IN THE MATTER OF
LEGG MASON T-PLUS FUND, LEGG MASON CANADIAN INDEX PLUS BOND FUND, LEGG MASON CANADIAN ACTIVE BOND FUND, LEGG MASON ACCUFUND, LEGG MASON DIVERSIFUND, LEGG MASON CANADIAN CORE EQUITY FUND, LEGG MASON NORTH AMERICAN EQUITY FUND, LEGG MASON CANADIAN SMALL CAP FUND, LEGG MASON BRANDYWINE FUNDAMENTAL VALUE U.S. EQUITY FUND, LEGG MASON BATTERYMARCH U.S. EQUITY FUND, LEGG MASON U.S. VALUE FUND AND LEGG MASON BRANDYWINE INTERNATIONAL EQUITY FUND (COLLECTIVELY, THE "FUNDS")**

MRRS DECISION DOCUMENT

Background

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

an application from LMC, the manager of the Funds for an order, pursuant to the securities legislation of each of the Jurisdictions (the "Legislation") that each of the Funds be deemed to have ceased to be a reporting issuer (the "Application").

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. In Quebec, Funds means Legg Mason Canadian Index Plus Bond Fund, Legg Mason Canadian Active Bond Fund, Legg Mason Accufund, Legg Mason Diversifund, Legg Mason Canadian Core Equity Fund, Legg Mason North American Equity Fund, Legg Mason Canadian Small Cap Fund, Legg Mason Brandywine Fundamental Value U.S. Equity Fund and Legg Mason Batterymarch U.S. Equity Fund.

Representations

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

1. LMC is registered as an adviser in British Columbia, Alberta, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador, as a commodity futures manager under the Commodity Futures Act (Ontario) and as a dealer in the category of mutual fund dealer in the provinces of Ontario, British Columbia and Manitoba. LMC has been exempted from the requirement to become a member of the Mutual Fund Dealers Association of Canada. The head office of LMC is located in Toronto, Ontario.

2. LMC acts as the manager, trustee, portfolio adviser and registrar for the Funds.

3. The Funds are mutual funds that distribute securities to the public pursuant to a simplified prospectus prepared pursuant to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* ("NI 81-101") and are also subject to National Instrument 81-102 *Mutual Funds* ("NI 81-102") and National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106"). The Funds are qualified for distribution in each province of Canada.

4. The Funds currently have outstanding two series of units, an Institutional Series and a Private Investor Series.

5. Institutional Series units of the Funds are sold to LMC's institutional clients and private clients whose portfolios are managed by LMC pursuant to an investment management agreement ("Institutional Series Investors"). Private Investor Series units were sold to individual investors through the broker/dealer network ("Private Investor Series Investors").

6. An exemption from the prospectus requirement is available (either under securities regulation or pursuant to exemptive relief) for all trades of units of the Funds to Institutional Series Investors.

7. LMC terminated the Private Investor Series of the Funds and redeemed all of the units of the Private Investor Series of each of the Funds by September 26, 2006, in accordance with the declaration of trust which governs the Funds. LMC proposes to carry on the Funds with just the Institutional Series and the Institutional Series Investors. A notice to this effect was sent to all Private Investor Series Investors of the Funds on July 26, 2006, advising of the termination of the Private Investor Series and the redemption of all the units of the Private Investor Series. A material change report and press release were filed under SEDAR Project #968974. An amendment to the annual information form and the simplified prospectus regarding the termination of the Private Investor Series of the Funds were filed on August 1, 2006 under SEDAR Project #831243.

8. From August 31, 2006 and onwards, LMC will ensure that all trades of units of the Funds to Institutional Series Investors, whether private clients or institutional clients, are made pursuant to an exemption from the prospectus requirements, either under securities regulation or pursuant to exemptive relief.

9. A simplified prospectus for the Funds was renewed and filed on October 24, 2005.

10. If the Funds had less than 15 security holders in each of the provinces of Canada and less than 51 security holders in total in Canada, the Funds would be able to apply for relief pursuant to CSA Staff Notice 12-307 Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications ("CSAN 12-307") and New Brunswick Local Policy 12-603 because:

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

- The Funds are not in default of any of their obligations under the Securities Act as reporting issuers.

- The Funds will not be reporting issuers or the equivalent in any jurisdiction in Canada immediately after such relief is granted.

11. The Legg Mason Canadian Index Plus Bond Fund, Legg Mason Canadian Active Bond Fund, Legg Mason Accufund, Legg Mason Diversifund, Legg Mason Canadian Core Equity Fund, Legg Mason North American Equity Fund and Legg Mason Canadian Small Cap Fund would be able to apply for relief pursuant to CSAN 12-307 and New Brunswick Local Policy 12-603 but for the number of LMC employees that have invested in these funds through the group registered retirement savings plan established for LMC's employees.

12. Each of the Funds have less than 15 security holders in each of the provinces of Newfoundland and Nova Scotia.

13. The only reason that the Funds are not eligible for relief pursuant to CSAN 12-307 is because of the number of security holders of the Funds.

14. LMC will notify all of the security holders of the Funds that the Application has been made, and will explain to security holders the implications of this order being granted. Security holders will be permitted to redeem their units at any time with no redemption fees.

15. LMC will prepare an offering memorandum for the Funds.

16. The financial statements of the Funds will be prepared and delivered to security holders in accordance with the requirements of NI 81-106 that apply to mutual funds that are not reporting issuers. The Funds intend to rely on the filing exemption set out in section 2.11 of NI 81-106.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation, has been met.

The Decision Makers order, pursuant to the Legislation, that each of the Funds have ceased to be a reporting issuer.

"Carol S. Perry"
Commissioner

"Wendell S. Wigle"
Commissioner

2.1.6 Claymore Investments, Inc. et al. - MRRS Decision

Headnote

MRRS – Exemptive relief granted to exchange-traded funds for initial and continuous distribution of units, including: relief from dealer registration requirements to permit promoter to disseminate sales communications promoting the funds subject to compliance with Part 15 of NI 81-102, relief to permit the funds' prospectus to not contain an underwriter's certificate, and relief from take-over bid requirements in connection with normal course purchases of units on the Toronto Stock Exchange subject to undertaking by unitholders not to exercise any votes attached to units which represent more than 20% of the votes attached to all outstanding units of the funds – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 59(1), 74(1), 95, 96, 97, 98, 100, 104(2)(c) and 147.

Rules Cited

National Instrument 81-102 Mutual Funds – Part 15.

December 1, 2006

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

AND

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

AND

IN THE MATTER OF
CLAYMORE INVESTMENTS, INC. (the "Filer"), CANADIAN FINANCIAL INCOME FUND, CANADIAN FUNDAMENTAL 100 INCOME FUND AND CANADIAN FINANCIAL DIVIDEND & INCOME FUND

MRRS DECISION DOCUMENT

Background

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

1. the dealer registration requirement of the Legislation does not apply to the Filer in connection with its dissemination of sales communications relating to the distribution of units ("**Units**") of Canadian Financial Income Fund ("**FIE**") "), Canadian Financial Dividend & Income Fund ("**FDI**") and Canadian Fundamental 100 Income Fund ("**RFI**") (collectively, the "**Funds**");

2. in connection with the distribution of securities of the Funds pursuant to a prospectus, the Funds be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who are in a contractual relationship with the issuer whose securities are being offered; and

3. purchasers of Units of the Funds be exempt from the requirements of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee with each applicable Jurisdiction, (the "**Take-over Bid Requirements**") in respect of take-over bids for the Funds.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and

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

Interpretation

"Basket of Securities" means, in relation to a Fund, a group of securities determined by the Filer from time to time representing the constituents of the investment portfolio then held by such Fund.

"Designated Brokers" means registered brokers and dealers that enter into agreements with the Funds to perform certain duties in relation to the Funds.

"Prescribed Number of Units" means, in relation to a Fund, the number of Units of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"Underwriters" means registered brokers and dealers that have entered into underwriting agreements with the Funds and that subscribe for and purchase Units from the Funds, and "Underwriter" means any one of them.

"Unitholders" means beneficial and registered holders of Units.

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:

Background

1. Each Fund is a mutual fund trust governed by the laws of Ontario and a reporting issuer under the laws of all of the Jurisdictions.

2. The Funds are closed-end funds whose Units are listed and traded on The Toronto Stock Exchange (the "**TSX**"). The Units of FIE, RFI and FDI were sold to the public by way of initial public offerings made under long form prospectuses dated July 27, 2005, November 21, 2005 and February 15, 2006, respectively.

3. The Filer is manager of the Funds and is a registered investment counsel and portfolio manager in Ontario and is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 (the "**Advisers Act**"). The Filer is a wholly-owned subsidiary of Claymore Group, Inc., a financial services and asset management company based in Lisle, Illinois. Claymore Group, Inc. and its U.S. affiliates include two investment advisers registered with the U.S. Securities and Exchange Commission under the Advisers Act and a broker-dealer registered with the National Association of Securities Dealers, Inc. under the United States Securities Exchange Act of 1934.

4. FIE's investment objectives are:

   (a) to maximize total return to Unitholders, consisting of distributions and capital appreciation; and

   (b) to provide Unitholders with a stable stream of monthly cash distributions of $0.05 per Unit.

   The net proceeds of FIE's initial public offering, together with borrowings under its loan facility, were invested in a diversified and actively managed investment portfolio consisting primarily of common shares, preferred shares, corporate bonds and income trust units of issuers in the Canadian financial sector.

5. RFI's investment objectives are to provide Unitholders with:

   (a) a stable stream of monthly cash distributions of $0.05 per Unit; and

   (b) a total return that approximates the returns of the RAFI™ Canadian Fundamental 100 Index, net of

expenses, and generally outperforms an investment in the S&P/TSX Composite Index.

The net proceeds of RFI's initial public offering, together with borrowings under its loan facility, were invested in a diversified portfolio of 100 Canadian equity securities selected and weighted on the basis of Research Affiliates, LLC's Canadian Fundamental 100 Index.

6. FDI's investment objectives are:

   (a) to maximize total return for holders of Units, consisting of distributions and capital appreciation; and

   (b) to provide Unitholders with a stable stream of monthly cash distributions of $0.05 per Unit.

   The net proceeds of FDI's initial public offering, together with borrowings under its loan facility, were invested in a diversified and actively managed investment portfolio consisting primarily of common shares, preferred shares, corporate bonds and income trust units of issuers in the Canadian financial sector.

7. The Filer has determined that it is in the best interests of the Unitholders and the Funds to convert the Funds into exchange-traded funds ("**ETFs**"). Upon conversion, the Funds would become "mutual funds" under the Legislation. Units issued by FIE and FDI will not be index participation units within the meaning of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**"). Units issued by RFI will be index participation units.

8. The investment objectives, investment strategy, investment approach and investment restrictions of the Funds will continue to be the same and the Funds expect to continue to pay their normal distributions following conversion to an ETF structure.

9. In order to implement this proposal, the Filer will call and hold special meetings of the Unitholders of each Fund in order to obtain unitholder approval to the changes that will be required to the Fund trust agreements to implement the conversion. In connection with the special meetings, the Filer will prepare and deliver to Unitholders in accordance with applicable securities laws, a management information circular (the "**Circular**") describing the proposal and the changes to be made to the Fund trust agreements as well as their impact on the Funds and Unitholders. It is expected that the Circular will contain prospectus-like disclosure relating to the operation and administration of the Funds on a going forward basis.

10. The Filer has also determined to submit a proposal to the Unitholders of both FIE and FDI to merge the two Funds, with FIE becoming the continuing fund. The merger proposal will be described in the Circular. If the merger proposal is approved by Unitholders and implemented, it will become effective before the proposal to convert the Funds into ETFs. As a result, the relief granted to the Funds under this decision would be required for and apply to FIE as the continuing fund and RFI. If the merger proposal is not approved by Unitholders, it will not be implemented and, assuming the proposal to convert the Funds into ETFs is approved, the relief granted to the Funds under this decision would be required for and apply to each of the Funds.

11. If the requisite unitholder and regulatory approvals are obtained, the Funds will prepare and file a preliminary prospectus of the Funds relating to the proposed continuous distribution of Units of each Fund and enter into the necessary designated broker and underwriting agreements in connection with such offerings. The Filer will not file a final prospectus for the continuous distribution of Units of the Funds until the TSX has conditionally approved the listing of additional Units of the Funds. The Funds will not commence a continuous distribution of Units at least until the final prospectus in respect of such distribution has been receipted.

12. The trust agreements for the Funds will be amended to implement the required changes. As a result and in furtherance of these changes, and after the final prospectus has been receipted:

   (a) Units may only be subscribed for or purchased directly from the Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.

   (b) The Funds will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of each Fund for the purpose of maintaining liquidity for the Units.

   (c) Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of

the Filer, the Funds may also accept subscriptions for Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.

(d) The net asset value per Unit of each Fund will be calculated and published daily and the investment portfolio of each Fund will be made available daily on the Filer's website.

(e) Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.3% of the net asset value of the Fund, or such other amount established by the Filer and disclosed in the prospectus of such Fund, next determined following delivery of the notice of subscription to that Designated Broker.

(f) Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. The Filer may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.

(g) Except as described in subparagraphs (a) through (e) above, Units may not be purchased directly from the Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains and in accordance with the distribution reinvestment plan of each Fund.

(h) Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets of Securities and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.

(i) As manager, the Filer receives a fixed annual fee from each Fund. Such annual fee is calculated as a fixed percentage of the net asset value of each Fund. The Funds are responsible for the payment of all their respective expenses including any extraordinary expenses.

13. No investment dealers will act as principal distributors for the Funds in connection with the distribution of Units. The Underwriters will not receive any commission or other payment from the Funds or the Filer. As a result, the Filer will be the only entity desiring to foster market awareness and promote trading in the Units through the dissemination of sales communications.

14. Because Underwriters will not receive any remuneration for distributing Units, and because Underwriters will change from time to time, it is not practical to require an underwriters' certificate in the prospectus of the Funds.

15. Unitholders will have the right to vote at a meeting of Unitholders in respect of a Fund prior to any change in the fundamental investment objectives of such Fund, any change to their voting rights and prior to any increase in the amount of fees payable by a Fund.

16. Although Units will trade on the TSX and the acquisition of Units can therefore be subject to the Take-over Bid Requirements:

(a) it will not be possible for one or more Unitholders to exercise control or direction over a Fund as the trust agreement in respect of each Fund will ensure that there can be no changes made to the Fund which do not have the support of the Filer;

(b) it will be difficult for purchasers of Units to monitor compliance with Take-over Bid Requirements because the number of outstanding Units will always be in flux as a result of the ongoing issuance and redemption of Units by the Funds; and

(c) the way in which Units will be priced deters anyone from either seeking to acquire control of, or offering to pay a control premium for, outstanding Units because Unit pricing will be dependent upon the performance of the portfolio of a Fund as a whole.

17. The application of the Take-over Bid Requirements to the Funds would have an adverse impact upon Unit liquidity because they could cause Designated Brokers and other large Unitholders to cease trading Units once prescribed take-over bid thresholds are reached.

This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the Funds.

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:

1. the dealer registration requirement of the Legislation does not apply to the Filer in connection with its dissemination of sales communications relating to the distribution of Units of the Funds, provided the Filer complies with Part 15 of NI 81-102;

2. in connection with the distribution of Units of the Funds pursuant to a prospectus or any renewal prospectus, the Funds are exempt from the requirement of the Legislation that the prospectus or renewal prospectus contain a certificate of the Underwriters; and

3. the purchase of Units by a person or company (a "**Unit Purchaser**") in the normal course through the facilities of the TSX is exempt from the Take-over Bid Requirements from the time the Funds become and for so long as the Funds remain ETFs provided that, prior to making any take-over bid for Units that is not otherwise exempt from the Take-over Bid Requirements, the Unit Purchaser, and any person or company acting jointly or in concert with the Unit Purchaser (a "**Concert Party**"), provide the Filer with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party which represent more than 20% of the votes attached to all outstanding Units.

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

"David L. Knight"
Commissioner
Ontario Securities Commission

2.1.7 Royal Group Technologies Limited - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

December 11, 2006

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

AND

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

AND

IN THE MATTER OF
ROYAL GROUP TECHNOLOGIES LIMITED
(the "FILER")

MRRS DECISION DOCUMENT

Background

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

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

(a) the Ontario Securities Commission is the Principal Regulator for this Application, and

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

Interpretation

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

Representations

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

1. The Filer is amalgamated under the *Canada Business Corporations Act* (the "CBCA") and its principal executive office is located at 1 Royal Gate Boulevard, Woodbridge, Ontario, L4L 8Z7.

2. The authorized capital of the Filer consists of an unlimited number of common shares ("Common Shares"), of which 579,776,633 Common Shares are issued and outstanding.

3. The Filer is a reporting issuer in the Jurisdictions.

4. On October 3, 2006, Rome Acquisition Corp. ("Rome"), a wholly owned indirect subsidiary of Georgia Gulf Corporation ("GGC"), acquired all of the issued and outstanding shares of Royal Group Technologies Limited ("RGTL"), a predecessor of the Filer, by way of a plan arrangement (the "Arrangement") under section 192 of the CBCA. The Arrangement was approved by RGTL's shareholders on August 4, 2006.

5. Pursuant to the Arrangement, Rome became the sole owner of all the issued and outstanding Common Shares of RGTL.

6. On November 3, 2006, RGTL redeemed all of its remaining outstanding debt securities; accordingly, Rome became the sole beneficial owner of all of the outstanding securities of the Filer.

7. The common shares of RGTL were delisted from the Toronto Stock Exchange on October 3, 2006, and no securities, including debt securities, of either RGTL or the Filer are listed or traded on any marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

8. The Filer surrendered its status as a reporting issuer under the *Securities Act* (British Columbia) pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. Upon the granting of the requested relief herein, the Filer will not be a reporting issuer or its equivalent in any of the Jurisdictions.

9. On November 10, 2006, RGTL and Rome were amalgamated pursuant to section 184 of the CBCA to form the Filer. Following the amalgamation, Rome Acquisition Holding Corp., a wholly-owned indirect subsidiary of GGC, became the beneficial owner of all of the outstanding securities of the Filer.

10. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions in Canada and less than 51 security holders in total in Canada.

11. The Filer does not currently intend to seek public financing by way of an issue of securities.

12. Other than the failure to file its interim financial statements for the period ended September 30, 2006, interim management discussion and analysis and interim certificates of the chief executive officer and the chief financial officer, which were due on November 14, 2006, the Filer is not in default of any of the requirements of the Legislation.

Decision

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

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

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

2.1.8 AIC American Focused Plus Fund - MRRS Decision

Headnote

MRRS - In connection a proposed merger, the one time trade of securities between two mutual funds, where one of the funds is not subject to NI 81-102, is exempted from the conflict of interest restrictions in section 118(2)(b)- transfer of assets at net asset value- 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), 121(2)(a)(ii).

December 12, 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
AIC AMERICAN FOCUSED PLUS FUND
(THE "AIC ALTERNATIVE FUND")

AND

AIC AMERICAN FOCUSED FUND
(THE "AIC MUTUAL FUND") (COLLECTIVELY, THE "FUNDS")

AND

AIC INVESTMENT SERVICES INC.
(THE "APPLICANT")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, for the purpose of the merger transaction described below, the Applicant be exempt from the restriction contained in the Legislation prohibiting a portfolio manager, or in British Columbia, a mutual fund or a responsible person, from knowingly causing an investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, or any associate of a responsible person or the portfolio manager (collectively, 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 Applicant:

1. AIC Limited ("AIC") intends to merge the AIC Alternative Fund and the AIC Mutual Fund (the "Proposed Merger"), which will involve the transfer of the assets and liabilities of the AIC Alternative Fund in exchange for units of the AIC Mutual Fund.

2. At the time the Proposed Merger is effected, AIC Investment Services Inc. ("AIS") will be the "portfolio manager" for the Funds for purposes of the Legislation. As portfolio manager, AIS will be considered a "responsible person" for purposes of the Legislation.

3. The transfer of the investment portfolio of the AIC Alternative Fund to the AIC Mutual Fund by operation of the Proposed Merger may be considered a sale of securities caused by AIS from the AIC Alternative Fund to the account of an associate of AIS, contrary to the Legislation.

4. The AIC Mutual Fund is an "associate" of AIS due to the fact that AIC, an affiliate of AIS, is the trustee and manager of the AIC Mutual Fund.

5. Each of the Funds were established pursuant to a Declaration of Trust under the laws of the Province of Ontario and AIC is the trustee and manager of the Funds.

6. The AIC Mutual Fund distributes securities under a simplified prospectus, dated May 29, 2006, as amended. It is a reporting issuer, or equivalent, in the Jurisdictions. The AIC Alternative Fund is distributed pursuant to prospectus exemptions and is not a reporting issuer in any of the Jurisdictions. The AIC Alternative Fund prepares an offering memorandum that is available for investors in the AIC Alternative Fund.

7. The Applicant manages the portfolio of the AIC Alternative Fund in the same way it manages the portfolio of the AIC Mutual Fund.

8. Notice of the Proposed Merger was sent to the unitholders on November 10th, 2006, which included a summary of the principal Canadian federal income tax considerations of the merger for the AIC Alternative Fund and for investors in the AIC Alternative Fund.

9. It is anticipated that the following events will occur in order to give effect to the Proposed Merger:

- The declaration of trust of the AIC Alternative Fund will be amended as required in order to implement the merger;
- Prior to the date of the merger, securities in the portfolio of the AIC Alternative Fund will be liquidated to the extent they do not meet the investment objectives or restrictions of the AIC Mutual Fund;
- The value of the AIC Alternative Fund and the AIC Mutual Fund will be determined immediately prior to the merger;
- The AIC Alternative Fund will transfer all of its portfolio assets, less an amount required to satisfy the liabilities of the AIC Alternative Fund, to the AIC Mutual Fund in exchange for units of the AIC Mutual Fund;
- The units of the AIC Mutual Fund received in exchange for the assets of the AIC Alternative Fund will have an aggregate net asset value equal to the value of the AIC Alternative Fund assets being exchanged and will be issued at the net asset value per unit of the AIC Mutual Fund determined immediately prior to the merger;
- The AIC Alternative Fund will declare, pay and automatically reinvest a distribution to its unitholders of net capital gain and income (if any) so that it will not be subject to tax under Part I of the Income Tax Act (Canada) for its taxation year ending on the date of the merger;
- Immediately thereafter, the AIC Alternative Fund will distribute its portfolio assets (which would consist solely of units of the AIC Mutual Fund) to its unitholders on a dollar-for-dollar basis so that they will become direct unitholders of the AIC Mutual Fund; and
- Forthwith, the AIC Alternative Fund will be wound up.

10. The Proposed Merger has been proposed by AIC, as trustee and manager of the AIC Alternative Fund to increase flexibility for investors in the AIC Alternative Fund. The AIC Mutual Fund is a publicly available mutual fund with low minimums for initial or additional investments. Accordingly, following the Proposed Merger investors in the AIC Alternative Fund will have increased flexibility to make additional investments in the AIC Mutual Fund than currently permitted in respect of the AIC Alternative Fund, while maintaining similar investment objectives.

11. The Proposed Merger will not proceed until December 15, 2006 and unitholders in the AIC Alternative Fund will be entitled to redeem units of the AIC Alternative Fund up to the end of business on December 15, 2006.

12. No sales charges will be payable in connection with the acquisition by the AIC Mutual Fund of the investment portfolio of the AIC Alternative Fund and AIC will bear all costs relating to effecting the Proposed Merger.

13. If approved, the Proposed Merger will be effected on a qualifying exchange basis that provides a tax-deferred rollover to unitholders of the AIC Alternative Fund. This will allow unitholders of the AIC Alternative Fund to defer any capital gain on the exchange of their units until they sell or redeem units of the AIC Mutual Fund.

14. In the opinion of the Applicant, the Proposed Merger is in the best interest of the AIC Alternative Fund and its unitholders.

15. In the absence of this order, AIS would be prohibited from purchasing and selling the securities of the AIC Alternative Fund 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.

“Wendell S. Wigle”

"David L. Knight”

2.2. Orders

2.2.1 Mellon Financial Markets, LLC - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
MELLON FINANCIAL MARKETS, LLC

ORDER
(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware, U.S.A., and is a wholly-owned subsidiary of Mellon Financial Corporation, a publicly-traded company listed on the New York Stock Exchange. The head office of the Applicant is located in Pittsburgh, Pennsylvania, U.S.A.

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

3. The Applicant's primary business activities are trading in securities with institutional investors, primarily large corporations and pension plans.

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

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

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

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

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

IT IS ORDERED, pursuant to section 218 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of limited market dealer, the Applicant is exempt from the provisions of section 213 of the Regulation requiring that the Applicant be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, for a period of three years, provided that:

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

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

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission 30 days' prior notice of such change

by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

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

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

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

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

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

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

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

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

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

December 5, 2006

"Wendell S. Wigle"

"David L. Knight"

2.2.2 Peter Sabourin et al. - ss. 127(1) and (5)

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

AND

PETER SABOURIN, W. JEFFREY HAVER, GREG IRWIN, PATRICK KEAVENEY, SHANE SMITH, ANDREW LLOYD, SANDRA DELAHAYE, SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., CAMDETON TRADING LTD. AND CAMDETON TRADING S.A.

**TEMPORARY ORDER
(Sections 127(1) and (5))**

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. The individual respondents are Ontario residents;

2. None of the corporate respondents are reporting issuers in Ontario;

3. None of the respondents are registered with the Commission to trade in securities;

4. The respondents have traded in investments which appear to be "securities" as defined in section 1(1)(n) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

5. Staff are conducting an investigation of the respondents. Based on Staff's investigation to date, it appears that the respondents have traded in securities and participated in unlawful distributions of securities, contrary to sections 25 and 53 of the Act; and

6. The Commission is of the opinion that it is in the public interest to make this order and that the time required to conclude a hearing could be prejudicial to the public interest.

AND WHEREAS by Commission order effective December 7, 2006 pursuant to section 3.5(3) of the Act, any one of W. David Wilson, Paul M. Moore, Susan Wolburgh Jenah, Paul M. Moore, Robert L. Shirriff, Harold P. Hands and Paul K. Bates, acting alone, is authorized to make orders under section 127 of the Act;

IT IS ORDERED pursuant to section 127(5) of the Act that:

(a) pursuant to clause 2 of section 127(1), all trading in securities of the respondents shall cease;

(b) pursuant to clause 2 of section 127(1), trading in any securities by the respondents shall cease; and

(c) pursuant to clause 3 of section 127(1), any exemptions contained in Ontario securities law do not apply to the respondents.

IT IS FURTHER ORDERED that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

DATED at Toronto this 7th day of December, 2006.

"W. David Wilson"

2.2.3 MineralFields/EnergyFields Multi Series Fund Inc. - s. 62(5)

Headnote

Mutal Reliance Review System for Exemptive Relief Applications - extension of lapse date prospectus of mutual funds - mutual funds will not issue any units under the prospectus in a jurisdiction after the lapse date of the prospectus in that jurisdition until the extension is granted.

Statutes Cited

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

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED (the Act)
(Subsection 62(5))

AND

IN THE MATTER OF
MINERALFIELDS/ENERGYFIELDS MULTI SERIES FUND INC.
(the Fund)

ORDER

Background

The Fund has applied to the Ontario Securities Commission (the OSC) for an order under subsection 62(5) of the Act that the time limits pertaining to the distribution of securities under the Fund's simplified prospectus and annual information form dated December 1, 2005, as amended from time to time (collectively, the "Prospectus") be extended to permit the continued distribution of securities of the Fund as if the lapse date of the Prospectus is February 28, 2007 (the Requested Relief).

Interpretation

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

Representations

The Fund has represented to the OSC that:

1. The Fund is a corporation incorporated effective September 24, 2004 by the filing of articles of incorporation under the laws of the Province of Ontario. The Fund is an entity within the MineralFields, EnergyFields and Pathway Asset Management groups.

2. The Fund is a reporting issuer in Ontario, British Columbia, Alberta and Saskatchewan and is not in default of any of the requirements of applicable securities legislation.

3. While the Fund originally filed its Prospectus only in Ontario, it is now also a reporting issuer in British Columbia, Alberta and Saskatchewan by operation of law and the definition of "reporting issuer" in those jurisdictions. The Fund accepted rollovers of securities from limited partnerships that were reporting issuers, and accordingly, the Fund became a reporting issuer in the noted jurisdictions by virtue of the definition of reporting issuer in those jurisdictions.

4. The Fund distributes securities under the Prospectus. The earliest lapse date of the Prospectus under the Ontario securities legislation is December 1, 2006.

5. To date, the Fund has distributed its securities only to limited partnerships resident in Ontario on "rollover" transactions as more particularly disclosed in the Prospectus and does not, at present, sell its securities directly to the public through retail channels.

6. The Fund's only direct investors are limited partnerships resident in Ontario to whom the Fund distributes securities on rollover transactions.

7. The Fund proposes, by February 28, 2007, to sell its securities directly to the public, and is in the process of implementing the necessary systems and procedures, including amendments to its share capital to add a new class of shares, to enable it to sell to the public.

8. The Fund's next prospectus and annual information form prepared and filed in accordance with National Instrument 81-101 will contain significant additional information compared to the Prospectus, because it will disclose the Fund's systems and procedures related to its sale of securities directly to the public.

9. Because the Fund plans to sell its securities directly to the public, and is currently implementing systems and procedures to enable it to do so, including the amendment of its share capital to add a new class of shares, the Fund has not yet prepared and filed a renewal pro forma simplified prospectus and annual information form disclosing its sales systems and procedures because they have not been finalized.

10. The Fund would like to include the new class of shares in its renewal prospectus and annual information form and would like to avoid having two sets of disclosure documents or alternatively, filing an amended and restated prospectus and annual information form to incorporate the new class of shares into its simplified prospectus and annual information form.

11. The Fund will not issue any securities of the Fund under the Prospectus in Ontario after the lapse

date of the Prospectus in Ontario until the Requested Relief is granted.

12. There has been no material change in the affairs of the Fund since the filing of the Prospectus. Accordingly, the Prospectus represents current information regarding the Fund.

13. The Fund intends to file its pro forma renewal prospectus on or about January 30, 2007, and based on the time periods prescribed by National Policy 43-201 for reviewing a pro forma prospectus, the final prospectus by February 28, 2007.

14. The Requested Relief will not affect the accuracy of the information in the Prospectus and therefore will not be prejudicial to the public interest.

Order

The Ontario Securities Commission is satisfied that the test contained in the Act to make the decision has been met and orders that the Requested Relief is granted.

December 1, 2006

"Rhonda S. Goldberg"
Asst. Manager - Investment Funds Branch

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Bennett Environmental Inc. et al.

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

AND

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

SETTLEMENT HEARING RE: ROBERT GRIFFITHS

Hearing:	November 30, 2006	
Panel:	Paul M. Moore, Q.C., Chair Robert L. Shirriff, Q.C., Commissioner David L. Knight, Commissioner	
Appearances:	Pamela Foy Scott Pilkey	On behalf of Staff of the Commission
	John Contini Nairn Waterman	On behalf of Robert Griffiths

ORAL RULING AND REASONS

The following text has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the chair of the panel for the purpose of providing a public record of the decision.

Chair:

[1] We approve the settlement agreement as being in the public interest.

[2] We order that the transcript of this hearing be kept confidential except to the extent excerpts are published in the Bulletin to reflect our decision and reasons.

[3] This settlement agreement is one of four settlement agreements in this matter. Two settlement agreements were reached last June with Bennett Environmental Inc. and with Allan Bulckaert. Yesterday we approved a settlement agreement with John Bennett. In approving the three settlements we gave reasons, and those reasons are relevant to our reasons today.

[4] The settlement agreement with Mr. Griffiths will be on the web site and will be published in the Bulletin. Therefore, I'm not going to outline all the facts surrounding this matter. I will highlight them briefly.

[5] The case involves late disclosure by Bennett Environmental and its officers and directors of problems in respect of a contract that was quite important to the company. Prior to the company making disclosure of the issues surrounding the contract and the dispute, certain activities took place. Once the contract dispute was disclosed publicly the price of the company's shares fell almost 50 percent within the next ten days.

[6] Mr. Griffiths, as vice president US sales of the company, had primary responsibility for the contract. He was originally hired by the company as an intern in March 1999, following completion of his university studies in environmental science. This was his first job and he had never been employed as an employee, officer or director of a public company.

[7] Mr. Griffiths admits that he was aware of the existence and nature of the dispute surrounding the contract during the material time.

[8] He admits that the existence of the dispute over the contract constituted a material change within the meaning of the Securities Act, which the company failed to disclose contrary to section 75 of the Act and contrary to the public interest.

[9] Mr. Griffiths acknowledges that he authorized, permitted or acquiesced in the company's failure to disclose the material change forthwith, and thereby committed an offence under section 122(3) of the Act, and acted contrary to the public interest.

[10] Mr. Griffiths also admits that the company's continued reporting of certain matters relating to the contract was misleading or untrue, contrary to section 122(1B) of the Act and contrary to the public interest.

[11] Mr. Griffiths acknowledges that he authorized, permitted or acquiesced in the misleading or untrue disclosure regarding the contract, and thereby committed an offense pursuant to section 122(3) of the Act, and acted contrary to the public interest. He admits that the existence of the dispute also constituted the material fact within the meaning of the Act that had not generally been disclosed.

[12] During the material time, Mr. Griffiths exercised options to acquire and then sold a total of 45,600 shares of the company while in possession of knowledge of some or all of the aforementioned material facts and material change, contrary to section 76 of the Act.

[13] In the settlement agreement, Mr. Griffiths has agreed to a 15-year trading ban and a 15-year ban on acting as a director or officer of a company. He has also agreed to pay to the Commission the sum of $150,000 as an administrative penalty.

[14] In addition, Mr. Griffiths has agreed to pay to the Securities and Exchange Commission of the United States $50,000 in settlement of the SEC's allegations against him.

[15] Mr. Griffiths' loss avoided on the sale of his shares of the company was approximately $729,000. His actual after-tax profit on the sale of those shares was approximately $378,000.

[16] Staff has submitted that although the quantum of the agreed-upon settlement payment diverges from the practice of a payment equal to one and a half times the profit made or loss avoided, it is appropriate when viewed as part of the overall settlement achieved in the circumstances, and is in the public interest. We agree with staff.

[17] While ignorance of the law is no excuse, and illegal insider trading is not something that we should tolerate, we must take into account all facts and circumstances in determining whether sanctions in any case are appropriate.

[18] In *Re: M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 at paras. 9-10 (O.S.C.), we stated,

> "We have a duty to consider what is in the public interest. To do that, we have to take into account what sanctions are appropriate to protect the integrity of the marketplace. … In doing this, we have to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionally appropriate with respect to the circumstances facing the particular respondents."

[19] The Commission, in that case, set out six factors that might be relevant in setting sanctions. In *Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at paras. 23, 25 (O.S.C.) the Commission set out six other factors that may be relevant.

[20] Some of those factors referred to in the two cases are: the seriousness of the allegations, the respondent's experience in the marketplace, the level of the respondent's activity in the marketplace, whether or not there has been a recognition of the seriousness of the improprieties, whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets, and any mitigating factors.

[21] Another matter to be considered is the affect any sanction might have on the livelihood of a respondent.

[22] Mr. Griffiths received the options as part of his remuneration package. He sold them and traded the shares immediately to pay for the shares issued under the options. He was not a frequent player in the marketplace. Indeed, he was inexperienced in the marketplace, and inexperienced with securities laws.

[23] He was an intern at one time and this was his first job. He was fresh out of university.

[24] We do not see his conduct as malicious or devious. Indeed, he reported what he was doing to the company's chief financial officer, Mr. Stern, and received permission to go ahead and do what he did.

[25] We have heard from Mr. Griffiths and we believe that there is a recognition now of the seriousness of the impropriety that he was involved in.

[26] I'm going to also deal with some other mitigating factors that we believe are relevant.

[27] Mr. Griffiths had primary responsibility for the contract in question, but he was not responsible for drafting the company's press release that gave the disclosure that is questionable. He was only occasionally consulted by the company's disclosure committee regarding press releases in connection with the contract.

[28] As I previously mentioned, he had no background or training in securities laws. He was hired as an intern fresh out of university and had never been an employee, officer, or a director of a public company. He held an honest but mistaken belief that the contract issues were not serious because they would be resolved in favour of the company.

[29] As I previously mentioned, he was required to seek the approval of the company's chief financial officer, Mr. Stern, prior to the exercise of the options, and he did this.

[30] We heard today that Mr. Stern was aware that these options would be exercised and the shares sold immediately to pay the exercise price, and that Mr. Stern raised no issue with respect to Mr. Griffiths' proposed sale of the shares.

[31] As I previously mentioned, the options were provided to him as part of his remuneration package, and were not market options that he purchased in the market.

[32] It was Mr. Griffiths' practice to exercise employee options and sell the shares at the earliest available opportunity in part in order to have funds available to pay the applicable income taxes.

[33] Upon being advised of staff's investigation, Mr. Griffiths immediately indicated his willingness to cooperate and to settle the issues raised by staff. He has performed or acted in accordance with the Commission's policy of credit for cooperation.

[34] Our jurisdiction is not punitive, it is preventive and protective. As stated in *Belteco*, the Commission is not prescient. We're not in a position to know for certain what may happen in the future with respect to Mr. Griffiths' conduct. But we can look to past conduct as an indication of what might happen in the future. In this case, we believe that it is unlikely that Mr. Griffiths will not have learned from his mistakes, and unlikely that he will cause the market problems in the future.

[35] However, we also are mindful of the fact that we don't know for sure, that illegal insider trading is serious, and that an appropriate message has to be given to like-minded persons who may consider the risks involved in violating the Securities Act. The message must be out there that there are consequences to breaches of the Securities Act and that the wager is not that you get to keep what you make illegally unless you're caught, and then you only have to give back the profit you make.

[36] So the normal rule of thumb – of a multiple on the profit made or the loss avoided that we generally like to see applied in insider trading cases – is a good one, but it's not sacrosanct.

[37] We have to go back to the appropriate factors and the purpose of our jurisdiction. Taking into account Mr. Griffiths' personal financial circumstances and the evidence that was provided to us on that, we are satisfied that he cannot reasonably afford to pay more than the $150,000 he's agreed to pay to the Commission and the $50,000 he's agreed to pay to the SEC.

[38] We are satisfied that the deviation from the norm of one and a half times loss avoided or profit made is an appropriate deviation in this case.

[39] With respect to the ban on acting as an officer or director for 15 years, and the ban on trading in securities for 15 years with a minimal carve out, again, we are satisfied that taking everything into account, this is appropriate.

[40] But we do believe that the time might arise, in perhaps five years, when it would be appropriate, if requested, for the Commission to consider varying the order that we will be issuing today, varying the order pursuant to section 144 of the Act to allow Mr. Griffiths to act as an officer or director of a company or to trade without restriction.

[41] We are not predicting that this would be granted by any panel in the future, but after five years, depending on the circumstances presented to the Commission, we would anticipate that a good set of facts may well see the relief granted. One may look upon these five years as a probationary period.

[42] We are prepared to approve the settlement without changing the 15 years of the two bans because the role of a Commission panel in reviewing a settlement is not to substitute the sanctions it would impose in a contested hearing for what is proposed in the settlement agreement, but rather to make sure the agreed sanctions are within acceptable parameters. That is why we are approving the settlement agreement that has been agreed to by staff and by Mr. Griffiths, represented by eminent and competent counsel.

[43] We also note that in *Re: Pollitt et al* (2004), 27 O.S.C.B. 9643 at para. 25 (O.S.C.), the Commission stated that the potential likelihood of future violation by a respondent should be given considerable weight. And this we have done and this we believe staff has done in coming to the settlement agreement.

[44] Finally, Mr. Griffiths is at the beginning of his career. This has been an unfortunate episode in his business life. The consequences to him have been quite severe, but we believe that it is in the public interest to allow him to get on with his life, subject to the terms of our order, and our statements on the possibility of variation of the order under section 144.

[45] Mr. Shirriff, would like to add some additional reasons?

Mr. Shirriff:

[46] Thank you. I concur with the reasons delivered by the Chair of the panel, and I do agree that we should approve this settlement as being in the public interest.

[47] I was concerned at one point during the hearing that perhaps the proposed sanctions were inappropriate in that they were too severe, but having listened to the submissions of counsel, I'm prepared to approve the settlement.

[48] However, when I consider the mitigating circumstances that have been outlined and addressed by the Chair of the panel, and also the testimony of Mr. Griffiths himself, I am convinced that he has made a mistake. I believe he understands the nature of that mistake. As the Chair has said, I believe he deserves a new start in life. He has set about doing that. He has some very serious financial commitments in respect of his family and he's going to need help with all of this.

[49] And so, speaking for myself, I would encourage him, at the appropriate time, to seek counsel's advice to make a section 144 application to vary this decision, so as to – if not remove, certainly cut down – these two bans imposed upon him.

[50] Also, when he is allowed to begin trading in his RRSP, I would again encourage him to come forward and ask that the strictures on the trading be loosened so that there are more carve outs, giving him a little more freedom to trade in his own account for the benefit of himself and his family.

Chair:

[51] Commissioner Knight?

Mr. Knight:

[52] I, too, support the reasons as given by Vice Chair Moore. I see little point in echoing what Commissioner Shirriff said because I share his views. I will content myself in saying that I support the views and additional reasons expressed by the Vice-Chair and Commissioner Shirriff.

Chair:

[53] I also agree with the additional reasons stated by Commissioner Shirriff.

[54] I would encourage an early expanding of the carve outs for trading in Mr. Griffiths' RRSP to at least accord with some of the carve outs that were granted in *Valentine*, 28 O.S.C.B. 59 (O.S.C.) and in *Joseph Allen*, (2006), 29 O.S.C.B. 3944 (O.S.C.), even before the two years referred to in the order.

[55] Finally, with respect to the five years probationary period I previously mentioned, it may be appropriate to abridge it in special circumstances. For example, because of an employment situation, it might make sense for a small non-public company to somehow involve Mr. Griffiths as an officer or director. Then, a variation of the order may be appropriate.

[56] These bans of 15 years, and the five years probationary period, should not be taken with the same degree of absoluteness that we would expect them to have in some of the other cases that come before us.

Approved by the chair of the panel on December 12, 2006.

"Paul M. Moore"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
China Diamond Corp.	11 Dec 06	22 Dec 06		
Meta Health Services Inc.	01 Dec 06	13 Dec 06	13 Dec 06	
Seven Evergreen Apartment Project	08 Dec 06	20 Dec 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
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
ONE Signature Financial Corporation	08 Dec 06	21 Dec 06			
SR Telecom Inc.	17 Nov 06	30 Nov 06	30 Nov 06	11 Dec 06	
The Helical Corporation Inc.	28 Nov 06	11 Dec 06		11 Dec 06	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 Sep 05	26 Sep 05	26 Sep 05		
The Helical Corporation Inc.	28 Nov 06	11 Dec 06		11 Dec 06	
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Neotel International Inc.	02 Jun 06	15 Jun 06	15 Jun 06		
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
SR Telecom Inc.	17 Nov 06	30 Nov 06	30 Nov 06	11 Dec 06	
Straight Forward Marketing Corporation	02 Nov 06	15 Nov 06	15 Nov 06		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
ONE Signature Financial Corporation	08 Dec 06	21 Dec 06			

Chapter 5

Rules and Policies

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

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

AND TO

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

I. INTRODUCTION

The Canadian Securities Administrators (the CSA or we) have made amendments to the following instruments:

1. National Instrument 21-101 *Marketplace Operation* (NI 21-101), Forms 21-101F2 and 21-101F5 and

2. National Instrument 23-101 *Trading Rules* (NI 23-101).

We have also made amendments to the following policies:

1. Companion Policy 21-101CP to NI 21-101 (21-101CP) and

2. Companion Policy 23-101CP to NI 23-101 (23-101CP) (NI 21-101, Forms 21-101F2 and 21-101F5, NI 23-101, 21-101CP and 23-101CP are referred to as the ATS Rules).

(All the above amendments are referred to as the Amendments.)

The Amendments are expected to be made by each member of the CSA. In Ontario, the Amendments were delivered to the Minister of Government Services (Minister) for review on November 30, 2006. We requested an expedited review and decision by the Minister. If the Minister approves the Amendments by December 16, 2006, the Amendments will come into force in Ontario by December 31, 2006. If the Minister does not approve or reject the Amendments, or return them to the Commission for further consideration, they will come into force on February 13, 2007.

The Amendments are expected to be implemented by that date by the Alberta Securities Commission (ASC) and the Manitoba Securities Commission (MSC). As it may not be possible for the other jurisdictions to approve the Amendments by December 31, 2006, they may not become effective in all jurisdictions at the same time. For this reason, the Autorité des marchés financiers (AMF), the British Columbia Securities Commission (BCSC), the Nova Scotia Securities Commission (NSSC) and the Saskatchewan Financial Services Commission will issue blanket rulings to grant exemptive relief from certain sections of the ATS Rules to market participants between December 31, 2006 and the date the Amendments become effective in their respective jurisdictions. In New Brunswick, the ATS Rules are not currently in force, and they will be adopted, together with the Amendments, at a later date.

II. SUMMARY OF WRITTEN COMMENTS RECEIVED BY THE CSA

The ASC, AMF, MSC and OSC published proposed amendments to the ATS Rules (Proposed Amendments) with a request for comment on July 14, 2006. The BCSC published the materials on August 11, 2006, the New Brunswick Securities Commission on September 25, 2006, and the NSSC on July 19, 2006.

During the comment period and shortly after its expiry, we received fifteen submissions. We have considered the comments received and thank all the commenters for their submissions. A list of those who submitted comments, as well as a summary of comments and our responses to them, are attached as Appendix A to this Notice.

After considering the comments, we have decided to withdraw some of the Proposed Amendments and to make a change to existing provisions of the ATS Rules. The final Amendments are outlined in the next section.

III. SUBSTANCE AND PURPOSE OF THE AMENDMENTS

(a) Transparency for Government Debt Securities

Background and substance of proposed amendments

Currently, the ATS Rules require marketplaces and inter-dealer bond brokers (IDBs) to provide order and trade information on government debt securities to an information processor in real time.[1] However, an exemption from this requirement has been given to the IDBs and Alternative trading systems (ATSs) executing trades of government debt securities until December 31, 2006.[2]

Due to the expected expiry of this exemption, the CSA felt that it was important to review alternatives for transparency of government fixed income securities. As a result, in the Proposed Amendments, we had proposed an incremental approach for transparency for government fixed income securities instead of allowing the exemption to expire. They included a requirement that IDBs and ATSs provide to an information processor or, in the absence of an information processor, to an information vendor that meets standards set by the Investment Dealers Association of Canada (IDA), order and trade information for certain government fixed income securities.[3] Specifically, the reporting would have been as follows:

- by marketplaces and IDBs only (and not by dealers);
- only for designated benchmark government debt securities; and
- the volumes displayed by the information processor would have been capped.

In the notice published with the Proposed Amendments, we included our analysis supporting the proposed transparency approach and reviewed other options for dealing with transparency, including:

- mandating transparency for all government fixed income securities;
- giving a permanent exemption from transparency for government fixed income securities; and
- extending the current exemption from transparency requirements for government debt until December 31, 2011.

We also asked a number of questions to help us evaluate issues related to the government fixed income market.

Summary of responses

We received fifteen responses to the Proposed Amendments and our request for comments. A majority of respondents did not support mandatory transparency requirements at this time for a number of reasons, including their views that:

- there has been sufficient progress through industry initiatives towards greater price transparency and there is already adequate transparency in the government fixed income markets;
- enhanced transparency may negatively impact the level of liquidity;
- there is no evidence of market failure in the institutional market and no identified systemic transparency problems in the institutional market; and
- it was not clear how the proposal would address the information and transparency needs of the retail fixed income market.

Some commenters supported an extension of the existing exemption from transparency for government debt securities for an additional five-year period, and two did not support any regulatory intervention at all.

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1 NI 21-101, subsections 8.1(1), 8.1(2), 8.1(3), 8.1(4) and 8.1(5) and subsection 10.1(2) of 21-101CP.

2 Section 8.5 of NI 21-101.

3 These proposed amendments were made to subsections 8.1(1), 8.1(3), 8.1(4) and 8.1(5) of NI 21-101 and to subsections 10.1(1) and 10.1(2) of 21-101CP.

Two respondents supported the proposed transparency requirements. They acknowledged the progress that has been made regarding transparency in the institutional market, but thought that there has been insufficient progress in the retail market. They also noted that there remains a general lack of post-trade transparency in the Canadian fixed income market.

CSA response

We agree that the level of transparency in the government fixed income market has increased, and it is our expectation that this trend will continue. However, it is unclear whether the market has achieved an optimal level of transparency at this time or will achieve this level absent some mandatory transparency. As a result, we will continue to monitor the fixed income market and will continue to consult with industry participants and other regulators and stakeholders to determine whether regulation and guidance will be needed in the future. For these reasons, we have extended the exemption from the mandatory transparency requirements set out in NI 21-101 until December 31, 2011. The current transparency requirements for government fixed income securities included in NI 21-101 and the guidance in 21-101CP will not change at this time.

(b) Transparency for Corporate Debt Securities

Background

In the notice published with the Proposed Amendments, we took the opportunity to ask a number of questions regarding issues related to transparency of corporate fixed income securities, including certain processes already in place. Specifically, we asked:

- whether pre-trade transparency for corporate fixed income securities is required and, if so, to which market participants it should apply;
- whether the time for reporting corporate fixed income trades to the information processor should be reduced; and
- whether the process for designated benchmark corporate fixed income securities has been effective.

Appropriateness of pre-trade transparency for corporate fixed income securities

The majority of respondents noted they did not support pre-trade transparency in general, citing reasons including that:

- pre-trade information is a feature of auction-based equity markets that is not relevant in the fixed income markets;
- pre-trade information would include bids and offers made outside the context of the market, which could provide a misleading value for securities; and
- pre-trade transparency on the liquidity may have a negative impact on the liquidity of the market.

CSA response

Upon consideration of these comments, we did not include additional requirements for pre-trade transparency for the fixed income securities in NI 21-101. In addition, we believe that the information processor should have some flexibility, subject to regulatory oversight, regarding the information that should be reported and displayed, and whether this information would include pre-trade data for corporate fixed income securities.

Time for reporting trade information for corporate debt securities

Most respondents felt that the current reporting timelines were adequate and did not think they should be reduced at this time.

CSA response

We agree that there has been no evidence that more aggressive reporting timelines are needed, and will not make any further changes to the requirements applicable to corporate fixed income securities included in NI 21-101. In addition, we believe that the information processor should continue to have the flexibility to determine the appropriate reporting timelines.

Adequacy of process for designating benchmark corporate fixed income securities

Four commenters submitted that this process has been effective, while two identified weaknesses, such as the infrequency of the selection process, and the fact that the list of benchmark corporate bonds may not be representative of the market or trading activity.

CSA response

We agree that the process for designating benchmark corporate debt securities has been generally adequate, and resulted in a substantial increase in the number of corporate fixed income securities reported to the information processor over time. We will closely monitor this process and have added a new requirement in NI 21-101 that the information processor must report the process and criteria for selection of fixed income securities to the securities regulators. In addition, we will evaluate applicants for the information processor role on a number of criteria, including the frequency and adequacy of their selection process for designated corporate bonds. For additional information, please see section (e) below.

(c) Electronic Audit Trail Requirements

Background and substance of proposed amendments

The notice published with the Proposed Amendments provided an update on the status of the Transaction Reporting and Electronic Audit Trail System (TREATS) project and timelines associated with various related tasks. As a result of these timelines, we proposed amendments to the date for implementation of the electronic audit trail requirements currently set out in NI 23-101 to:

- extend the deadline for implementation of the electronic audit trail requirements from January 1, 2007 to January 1, 2010;[4] and
- provide an exemption to dealers and IDBs complying with similar electronic audit trail requirements established by a regulation services provider and approved by the applicable securities regulatory authorities, in order to provide flexibility for implementation.[5]

Summary of comments

Although the Proposed Amendments to this section relate to extension of timeframes and a clarification regarding the compliance obligations of dealers and IDBs, a few responses to our request for comment included queries about the TREATS project. Specifically, the commenters requested clarification on the architecture of the system and the implementation plan for a TREATS solution. There were also suggestions on the timing and process for conducting a cost-benefit analysis and the information that should be available to dealers through TREATS.

CSA response

As described in CSA Staff Notice 23-305 *Status of the Transaction Reporting and Electronic Audit Trail System (TREATS)*[6], we are currently examining the models that exist in other jurisdictions, and reviewing which aspects create the most benefits. We will complete the data modeling for the remaining securities under the project's scope. These actions will assist in deciding the appropriate structure for TREATS, including whether any solution should be dealer/marketplace-centric versus regulator-centric. The structure selected will impact the amount of information that will be available to dealers for their own compliance purposes.

A plan for implementation will be devised once all the data modeling is complete and any issues relating to the appropriate architecture for a TREATS facility have been resolved. A phased-in implementation is expected for each security class currently under the project's scope, commencing with equities.

We expect that this additional work, which will conclude with a cost benefit analysis, will be completed by December 2007.

(d) Clarification of Best Execution and Other Obligations in a Multiple Marketplace Environment

Substance of the Proposed Amendments

The Proposed Amendments to 23-101 CP clarified the CSA's existing expectation of the application of the current best execution requirements in section 4.2 of NI 23-101, and stated that dealers would take into account all relevant information when assessing best execution in a multiple marketplace environment (and would not just consider information from marketplaces where a dealer is a participant).

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4 This proposed amendment was made to subsection 11.2(6) of NI 23-101.

5 Proposed subsection 11.1(2) of NI 23-101.

6 Published on October 20, 2006 in English in the Ontario Securities Commission Bulletin at (2006) 29 OSCB 8222 and in French in Bulletin de l'Autorité des marchés financiers, Vol. 3 no. 42, 20 octobre 2006.

Summary of comments

We received a number of comments in response to this clarification. Some commenters did not believe that dealers should consider information from all marketplaces trading the same securities and indicated that best execution requirements would be more feasible with a market integrator or data consolidator. However, others believed that all marketplaces should be considered (otherwise a dealer could ignore better executions by simply choosing not to access a marketplace). One commenter noted that post-trade information regarding securities traded, size and price may also present relevant information that should be considered by dealers.

Some commenters cautioned that "best execution" should not be interpreted too narrowly, for example, by equating it with best price.

CSA response

Currently, subsection 4.2(1) of NI 23-101 requires that a dealer acting as agent for a client shall make reasonable efforts to ensure that the client receives the best execution price on a purchase or sale of securities. For cross-border inter-listed securities, there is existing guidance in 23-101CP that provides that a dealer, in making reasonable efforts, should also consider whether it would be appropriate in the particular circumstances to look at markets outside of Canada. The Proposed Amendments were intended to clarify best execution obligations in a multiple marketplace environment in Canada. It should be noted that "marketplace" (defined under NI 21-101) refers to a marketplace within Canada. Due to questions raised about the clarification and in response to comments received, we have made a number of further changes.

The Proposed Amendments provided that we expected dealers to take into account all relevant information from all marketplaces trading the same securities and not view their obligation as limited to marketplaces where they are participants. It was not our intention to set the expectation that a dealer must have access to real-time data feeds, but that it should have reasonable policies and procedures regarding best execution that include taking into consideration relevant information from all appropriate marketplaces in the particular circumstances, and monitoring these policies and procedures. We do not believe that a dealer could limit its best execution obligations by choosing to ignore certain marketplaces. Best execution is an assessment that is to be made by a dealer based on the particular circumstances in accordance with its policies and procedures.

We do not agree that a market integrator or data consolidator is necessary in order to comply. In determining that mandated market integration was not required, the CSA relied on the views of an industry committee that stated that best execution responsibilities and the availability of pre- and post-trade information would be sufficient. We do agree, however, that the existence of an information processor displaying consolidated data would be helpful for best execution purposes. We are in the process of reviewing information processor applications. For additional information, please see section (e) below.

We agree with the suggestion from one of the commenters that relevant information should include post-trade as well as pre-trade (order) information and reflected this in the amendment to 23-101CP.

We also agree with the comments received that price is only one element that dealers should consider when assessing best execution. Our review of trade-through and best execution generally is ongoing, and upon completion of this review, we will propose changes to current requirements to further clarify the best execution obligation.

(e) Requirements for and Status of Information Processors for Debt and Equity

Background

In the notice published with the Proposed Amendments, we noted the fact that no information processor for equity securities existed. We also noted our view that the availability of an information processor, which would consolidate pre-trade and post-trade information for the equity markets, would ensure that a central source of consolidated data that meets the standards approved by regulators exists.

In the fixed income market, there is an information processor in place for the corporate fixed income securities, CanPX Inc. (CanPX). In the notice, we reminded the public that CanPX's approval expires on December 31, 2006.

In order to seek interest from participants for being the information processor for equity and/or fixed income securities, we published, at the same time with the Proposed Amendments, CSA Notice 21-304 Request for Filing of Form 21-101F5 *Initial Operation Report for Information Processor by Interested Information Processors* to inform the public of the approval status of CanPX and of the opportunity for other entities to apply to be an information processor for equity and/or fixed income securities. We received a number of applications and are currently reviewing them and evaluating all applicants against a number of objective standards. We expect to make a decision by April 30, 2007 regarding whether any entity has been accepted as an information processor and thank all applicants for their interest.

In order to ensure a smooth transition to a new information processor if a new entity is selected for the role, and in order to respond to a request by CanPX, we have also decided to extend CanPX's approval until December 31, 2007.[7]

Summary of comments

Two commenters suggested that an information processor that consolidated equity data should be introduced based on market forces, and that the use of an information processor should not be mandated.

CSA response

We believe that, at this time, the availability of an information processor is a helpful tool for addressing best execution and market integrity issues based on consistent, reliable data. If market circumstances change in the future, we will reconsider the issue.

(f) Changes Made to the Amendments

In response to comments received, we made a number of changes to the Proposed Amendments, set out below.

- We did not proceed with proposed amendments to subsections 8.1(1), 8.1(3), 8.1(4) and 8.1(5) of NI 21-101.
- We did not proceed with proposed section 8.5 of NI 21-101 and substituted the following:

  8.5 **Reporting Requirements for the Information Processor** – (1) The information processor shall report, within 30 days after the end of each calendar quarter, the process and criteria for selection of government debt securities, as applicable, and designated corporate debt securities and the list of government debt securities, as applicable, and designated corporate debt securities.

  (2) The information processor shall report, within 30 days after the end of each calendar year, the process to communicate the designated securities to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by the Instrument, including where the list of designated securities can be found.
- We added the following section to NI 21-101:

  8.6 **Exemption for Government Debt Securities** – Section 8.1 does not apply until January 1, 2012.
- We did not proceed with proposed amendments to subsection 10.1(1) of 21-101CP and substituted the following:

  10.1(1) The requirement to provide transparency of information regarding orders and trades of government debt securities in section 8.1 of the Instrument does not apply until January 1, 2012. The Canadian securities regulatory authorities will continue to review the transparency requirements, in order to determine if the transparency requirements summarized in subsections (2) and (3) below should be amended.
- We did not proceed with proposed amendments to subsection 10.1(2) of 21-101CP.
- We replaced proposed subsection 4.1(8) of 23-101CP with the following:

  4.1(8) In order to meet best execution obligations where securities trade on multiple marketplaces in Canada, a dealer should consider information from all marketplaces (not just marketplaces where the dealer is a participant). This does not necessarily mean that a dealer must have access to real-time data feeds from each marketplace but that it should establish reasonable policies and procedures for best execution that include taking into account order and/or trade information from all appropriate marketplaces in the particular circumstances. The policies and procedures should be monitored on a regular basis. A dealer should also take steps, where appropriate, to access orders which may include making arrangements with another dealer who is a participant of a particular marketplace or routing an order to a particular marketplace.

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7 CSA Staff Notice 21-305 *Extension of Approval of Information Processor for Corporate Fixed Income Securities* published on October 27, 2007 in English in the Ontario Securities Commission Bulletin (2006) 29 OSCB 8364 and in French in Bulletin de l'Autorité des marchés financiers, Vol. 3 no. 43, 27 octobre 2006.

In addition, we made a number of non-material changes to the Proposed Amendments to correct minor errors or omissions. These changes are set out below.

- We renumbered proposed section 7.6 of NI 21-101 as 7.5.
- We renumbered proposed section 7.7 of NI 21-101 as 7.6.
- In proposed section 6 of Form 21-101F5, we added "*Exhibit T"* after "**6.** - **Selection of securities reported to the information processor"**.
- We renumbered proposed subsection 10.1(6) of 21-101CP and 10.1(5).
- In NI 23-101, we did not proceed with the proposed amendments to subsection 11.2(5) and substituted the following:

  (5) **Transmittal of Order Information** – A dealer and inter-dealer bond broker shall record and shall transmit within 10 business days to a securities regulatory authority or a regulation services provider the information required by the securities regulatory authority or the regulation services provider, in electronic form, as required by the securities regulatory authority or the regulation services provider.
- In proposed section 8.3 of 23-101CP, we added "**Electronic Audit Trail**" before the proposed section that starts with "Subsection 11.2(6) of the Instrument requires dealers and inter-dealer bond brokers to transmit certain information to a securities regulatory authority or a regulation services provider …"

IV. Questions

Questions may be referred to any of:

Shaun Fluker
Alberta Securities Commission
(403) 297-3308

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

Shamira Hussein
British Columbia Securities Commission
(604) 899-6815

Randee Pavalow
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(416) 593-8257

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(416) 593-2351

Ruxandra Smith
Ontario Securities Commission
(416) 593-2317

Doug Brown
Manitoba Securities Commission
(204) 945-0605

APPENDIX A

SUMMARY OF COMMENTS WITH CSA RESPONSES AND LIST OF RESPONDENTS

I. Summary of Responses to Questions and CSA Responses

Question 1: Should there be a mandatory requirement to report and disseminate information related to designated government debt securities? What are the benefits and disadvantages of this and the alternative approaches?

The vast majority of commenters did not support a mandatory requirement to report and disseminate information related to designated government debt securities at this time. There were a number of reasons given, including views that: (1) there is already adequate transparency in the government fixed income marketplace; (2) there has been sufficient progress made towards greater price transparency through industry initiatives; (3) enhanced transparency may adversely affect the level of liquidity in the government securities market; (4) there is no evidence of a market failure in the fixed income market and no identified systemic transparency problems in the institutional market; (5) a regulator-mandated regime will create less innovation and specialization, lost information due to the consolidation process, and the de facto establishment of "price priority" in the bond market; (6) while the impetus for enhanced transparency is driven by issues regarding pricing in the retail fixed income market, the institutional and retail fixed income markets are different, and problems in the retail market should not be addressed at the expense of the institutional market; (7) while the focus of the proposed amendments is on transparency for benchmark government fixed income securities, most retail investor trading is not on benchmark government debt securities; and (8) there is a lack of evidence that the proposed amendments will achieve the desired results and more research must be done before transparency requirements are put in place.

Two respondents generally supported the transparency requirements proposed in NI 21-101. Their views were that: (1) while progress has been made in expanding access by large institutions to quoted government securities markets, there remains a general lack of post-trade transparency in the Canadian fixed income market; (2) there has been insufficient progress in delivering transparency to retail customer channels; (3) while the goals of IDA Policy 5 are to place an obligation of fair dealing on market providers, it is left to the provider, not the customer or regulator to make the determination of value to the investor, and customers have limited ability to judge the fair value, as they are typically faced with an offer from a single dealer; and (4) without a credible external benchmark price against which to measure executions, there is little basis for ascertaining the quality of the execution achieved. One of these commenters recommended that only comprehensive post-trade transparency should be mandated, and that a continued exemption should be granted for smaller dealers or marketplaces which do not capture 0.5% market share, to achieve the right cost/benefit balance for the new regulation. The other believed that there should be a mandatory requirement to report and disseminate information related to designated government debt securities on a pre-trade basis within the context of relevance to retail market participants. For example, regulators would receive information on an order and post-trade basis, but retail market participants would be provided with pre-trade transparency. This commenter believed that the provision of orders and post trade information to regulators is a positive step for regulation and the overall market. The information processor, in consultation with the industry and regulators, would determine the relevant securities and required information for the retail market participants.

One commenter sought clarification as to whether the amended requirements for the provision by inter-dealer bond brokers of accurate and timely information regarding orders for designated government debt securities to an information processor covers the non-electronic phone execution or other "work-up" methods.

Six commenters recommended that the CSA extend the current exemption for government debt until December 31, 2011 instead of adopting the proposed amendments. Two commenters did not support any regulation and noted that the preferred option would be for the regulators to establish the principle of increased transparency while leaving the design of transparency systems to the market. A few respondents suggested that the CSA defer any transparency decision until the impact of the recently adopted IDA Policy 5B, *Retail Debt Market Trading and Supervision* is known or until further research and consultation to identify the transparency and educational needs of the retail income market is completed.

Response:

We agree that there has been industry-driven progress towards greater transparency in the government fixed income market. This was reinforced by the comments received. However, it is unclear whether the markets, both retail and institutional, have reached an optimal level of transparency or will achieve this level without some mandatory transparency. As a result, we will extend the exemption from transparency requirements for government debt securities for an additional period of five years ending on December 31, 2011. During this additional exemption period, we will consult with industry and other regulators and stakeholders and will continue to monitor market developments to determine whether the level of transparency at the end of the exemption period has reached a level that is acceptable to regulators and what, if any, regulation or guidance is needed in this regard.

Question 2: Should dealers be subject to order and/or trade transparency requirements for government fixed income securities? If so, should they be required to report order information, trade data or both?

While most commenters were not in favour of enhanced transparency and did not believe that dealers should be subject to transparency requirements for government fixed income securities, some provided their views on this question. For example, one commenter noted that the value of monitoring pre-trade information is minimal, while another thought that disseminating pre-trade indications of interest between dealers and large investors may tip other market participants as to their intentions and enable them to use this information to the detriment of those dealers and their customers. One respondent, however, believed that legislated transparency that requires a request-for-quote ATS to report executed trades but excludes request for quote telephonic trade reporting will create an unfair environment.

Three commenters believed that all market participants, including dealers, marketplaces and IDBs be subject to the same trade reporting requirements, and one supported a requirement for dealers to report order and trade data for government securities, but not indications of interest since, in a dealer market, they do not represent orders. One commenter, without supporting a regulator-mandated solution, thought that dealers should be part of any solution and should be required to increase transparency of the dealer-to-customer market (institutional and retail).

In the absence of client order exposure requirements and off-marketplace trading restrictions, one commenter asserted that requiring a marketplace to disclose its subscribers' order information to non-subscribers creates a free-rider problem that is manifestly unfair and prejudicial to marketplace development.

Response:
As a result of the extension of the exemption from transparency requirements for government fixed income securities, we will not change the current requirements that only marketplaces and IDBs report pre-order and trade information for government fixed income securities. During the additional exemption period, we will continue to analyze and consult with the industry to determine what, if any, requirements should be applicable to dealers.

Question 3: What type of pre-trade information should be disseminated? Should it include indications of interest?

Although commenters who responded to this question were not in favour of disseminating pre-trade information, some offered their views. The majority thought that indications of interest should not be included in pre-trade information. Reasons given were as follows: (1) pre-trade activity is rare in the fixed income market and the nature of the fixed income market does not lend itself to most pre-trade reporting; (2) indications of interest provide little useful information and should not be included in pre-trade information; (3) disseminating pre-trade indications of interest between dealers and large investors may tip other market participants and deter dealers from providing competitive bids inside quoted prices; and (4) indications of interest should not be included until the industry agrees on what they are and until it is established that the inclusion of indications of interest information does not prejudice any execution venue type.

One commenter, while noting that compelling dealers to disclose information about a trade to the market could damage the market by increasing the risks associated with trading, thought that any information should be released, including indications of interest.

Response:
As a result of the extension of the exemption from transparency requirements for government fixed income securities, we will not change the current requirements of NI 21-101 at this time and will maintain the current definition of an order (i.e. a firm indication by a person or company, acting as either principal or agent, of a willingness to buy or sell a security).

Question 4: Are the reporting timelines appropriate – i.e. order information in real time and trade information within one hour of this time of the trade?

Most commenters believed that the reporting timelines are appropriate. One commenter did not support a regulatory requirement to disseminate order information in real time, or a requirement to report trade information within one hour of the trade, and believed that market forces should be permitted to determine and develop the optimal level of order and trade transparency and the reporting timeframes. Another was concerned that dissemination of trade information in real time may hinder a dealer's ability to lay off risk when taking on a position.

One respondent indicated that if trade reporting is mandatory for government fixed income securities, the CSA should maintain the current one hour delay. Another commenter indicated a preference for a requirement for immediate disclosure of trade information, but acknowledged that this short reporting time may be challenging to achieve. This commenter believes that, with respect to corporate bonds, reporting of trades within one hour would allow an acceptable level of compliance to be achieved and would provide a starting point for reductions in the time lag in the future.

Finally, another respondent noted that, with the roll-out of straight-through processing technology, timelines for reporting will become unnecessary.

Response:
As a result of the extension of the exemption from transparency requirements for government fixed income securities, we will not make changes to the provisions currently included in NI 21-101 and will maintain the provisions in the current form, requiring that marketplaces and inter-dealer bond brokers report order and trade information for government fixed securities in real time.

Question 5: Are the volume caps applicable to government fixed income securities set out in the Companion Policy to NI 21-101 adequate? Should there be further tiering for the different types of government bond securities?

Three commenters stated that all volume caps set out in the proposed amendments to 21-101CP were adequate. However, one of these respondents thought that the information could be specific to the particular market segment, for example, IDB information should be for dealers, while dealer-to-customer information should be for investors. Another submitted that the Government of Canada volume cap of $10 million was adequate, but suggested that the volume cap for other government securities be raised from $2 million to $5 million to better reflect a standard trade size for that sector.

One commenter believed that the proposed volume caps may not be appropriate when applied to government debt securities, for example, a $2 million cap could be appropriate for an Ontario bond, while the same cap for a PEI or municipal bond may represent in excess of ten percent of the entire issue. Another suggested that it may be misleading to disclose prices with volume caps since pricing on large fixed income trades are not generally relevant to smaller investors who cannot expect similar pricing on smaller orders and that optimal transparency may be achieved by excluding the reporting of all fixed income trades above certain volume levels.

One commenter believed that the proposed cap on designated government debt securities issued or guaranteed by the government of Canada should be significantly lower than $10 million total par value, and that a more appropriate cap is $100,000 for designated government debt securities to ensure that the retail market participants have visibility of the relevant order flow as an input in making their investing decisions. Another believed that the $2 million proposed cap for government debt securities other than those issued by the government of Canada was too high and a further tiering was desirable.

Three commenters did not believe that further tiering would add clarity for the average investor. One proposed that, should certain trade transparency in government bonds be mandated, all government bond trades up to $200,000 should be disclosed through IDBs.

Response:
As a result of the extension of exemption from transparency requirements for government fixed income securities, we will not change the current transparency requirements for government fixed income securities included in NI 21-101, which do not include volume caps.

Question 6: Should we require pre-trade transparency for corporate fixed income securities? If so, should the requirements be applicable to marketplaces only or should they also apply to dealers?

Many commenters did not support pre-trade transparency requirements for the fixed income securities in general, and their responses did not distinguish between government bond and corporate bond securities. One commenter cited that pre-trade, or order, information is a feature of auction-based equity markets that is not relevant in fixed income markets. The concern raised was that pre-trade reporting would include bids and offers which are not made in the context of prevailing market conditions and could provide a misleading value for a security. Other commenters noted the potential adverse effect of pre-trade transparency on the liquidity of the market and the adverse effect on confidentiality.

One commenter believed that a voluntary multi-dealer source of non-attributed best bid/ask price on corporate fixed income securities would be the best balanced solution to the needs of the market participants. Market participants would then be able to use this information to interact with the appropriate source of liquidity and negotiate a reasonable price for the proposed transaction.

Response:
Based on comments received, we will not make additional changes to require pre-trade transparency for corporate fixed income securities. As currently noted in 21-101CP, we will continue to allow the information processor the flexibility to make the determination of whether to require pre-trade information for corporate fixed income securities.

Question 7: Should the time for reporting the trades be reduced (for example, should all trades be reported and disseminated in real time?)

A majority of commenters were of the view that the time for reporting trades should not be reduced. Some commenters were concerned that the dissemination of trade information in real time would significantly increase costs without a material increase in transparency, while others felt that real-time displays of trades would have a detrimental effect on a dealer's willingness to provide liquidity. One commenter felt that real time reporting is not currently possible from an operational standpoint as firms are currently still working to ensure compliance with the one hour reporting requirement.

One commenter did not believe that immediate reporting of trade information would pose a significant operational burden once disclosure is mandated but noted that, if the CSA retains the one-hour time delay, other data elements, for example, trade time, should be included in the reported trade information in addition to the price and quantity.

Response:
Based on the comments received, we will maintain the reporting timelines of the existing information processor for corporate fixed income securities. We expect that the information processor will continue to review the adequacy of the reporting timelines and determine whether changes are necessary.

Question 8: Has the process for designating benchmark corporate fixed income securities been effective? Please explain your response.

Four commenters submitted that the current methodology for designating benchmark corporate fixed income securities has been effective. They noted that: (1) benchmark data is a good general indicator of the overall market; and (2) CanPX's process provides greater flexibility than setting requirements by regulation. One commenter, however, noted that the selection could be done more frequently, for example, on a monthly basis. Another identified a number of weaknesses in the current process, for example: (1) the list of bonds available to CanPX subscribers does not change in response to trade activity flowing from the supplying dealers or IDBs but is only updated on a quarterly basis; (2) CanPX does not include representation from all areas of the Canadian capital markets which have an interest in fixed income.

One commenter, while not aware of any issues with the current process, did not believe that corporate bond prices disseminated on CanPX are as widely used by market participants as other more relevant sources of bond prices.

Response:
We agree that an information processor provides greater flexibility than regulation. We also note that, over the years, the number of designated corporate fixed income securities reported to and by CanPX has almost tripled, which indicates that the process for designating corporate fixed income securities has generally been adequate. We will continue to monitor its effectiveness and have added a new requirement to NI 21-101 that the information processor report the process and criteria for selection of fixed income securities to the regulators. Applicants for information processor will be evaluated on a number of criteria, including the adequacy of their bond selection process.

Question 9: Has there been sufficient progress, both regulatory and industry-driven, regarding fixed income transparency to date? For retail investors? For large and small institutional investors?

A majority of commenters believe that there has been sufficient progress to date regarding fixed income transparency. However, two commenters noted that further progress may be required with respect to fixed income transparency for retail investors and that further research, analysis and a review must be conducted before the most appropriate means of achieving effective transparency for retail investors can be determined.

Two commenters noted that, while progress has been made in expanding access by large institutions to quoted government securities markets, there is a general lack of post-trade transparency in the Canadian fixed income market. One of them believed that there has been insufficient progress in delivering transparency to retail customer channels and that single provider markets dominate the retail landscape. This commenter noted that the 2002 IDA/CSA Market Survey on Regulation of Fixed Income Markets, while often cited to support continuation of the status quo with regard to transparency in the institutional market and ongoing need for transparency in the retail fixed income market, does no longer reflect current and evolving market conditions. Another respondent thought that retail investors need to be able to gain access to relevant pre-trade transparency and other information including disclosure of mark-up and commission structures for sell-side participants.

Response:
We agree that the level of transparency in the fixed income market has generally increased in the past few years. We also agree with some of the commenters that a further understanding of the information needs of the retail fixed income market participants is needed. In this regard, we acknowledge and support the initiatives led by the IDA, for example, its survey of Canadian debt market participants. We will continue to review developments in the fixed income market,

both on a domestic and international level, and will consult with the industry and work with other regulators to determine whether additional regulatory guidance or requirements are needed.

II. Other Comments and CSA responses

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

Several commenters questioned the proposed clarification that dealers must take into account order information from all marketplaces where a particular security is traded (not just those where a dealer is a participant) and take steps to access orders as appropriate. Some indicated that these best execution requirements would be more feasible with a market integrator and data consolidator. One commenter suggested that a marketplace should have a certain level of order flow before a dealer is required to access that market in order to avoid costs to dealers of accessing marketplaces with no demonstrated liquidity. Another believed that a more efficient and cost-effective method would be to require new marketplaces to connect with each other and the primary marketplace rather than to impose connectivity upon the dealers.

Several commenters suggested that best execution varies from market to market and as applied to retail client orders this term may not have the same meaning or treatment as for institutional client orders. These commenters cautioned the CSA not to interpret "best execution" too narrowly, for example, by equating it with best price, and one suggested the term "best execution" be reviewed in the context of the bond market. One respondent noted that a narrow definition of best execution reduces competition between execution venues because it compels trading activity based on the single criteria of price.

Other concerns noted were: (1) it may be more appropriate to address amendments such as this in the larger context of best execution regulation as opposed to trade transparency; and (2) the industry committee that was struck to look at these issues when the ATS Rules were first put into place, in its 2003 report, did not contemplate or recommend a regulatory requirement to have dealers access all marketplaces, or all orders on marketplaces where they did not have access or were not members. It was suggested that the CSA consider striking another industry committee to re-examine best execution, including execution and access costs, and trade-through obligations.

Two commenters supported the CSA's position that all marketplaces must be considered, as a dealer would otherwise be able to ignore better executions by choosing not to access different marketplaces. One of these commenters believed that, in practice, a dealer will need to have access to all marketplaces, either directly or indirectly, to properly provide best execution to their clients and suggested how this can be accomplished. The other thought that the lack of full visibility by a dealer into the order book of a marketplace should not alleviate its duty to consider that marketplace when fulfilling its duty of best execution for its clients. The same commenter added that post-trade information regarding securities traded, size and price may also include relevant information that should be considered by a dealer in order ensure the best possible execution, and suggested amending the proposed amendment to the Companion Policy to NI 23-101 to include post-trade as well as pre-trade (order) information on all marketplaces.

Response:

Currently, subsection 4.2(1) of NI 23-101 requires that a dealer acting as agent for a client shall make reasonable efforts to ensure that the client receives the best execution price on a purchase or sale of securities. For cross-border inter-listed securities, there is existing guidance in 23-101CP that provides that a dealer, in making reasonable efforts, should also consider whether it would be appropriate in the particular circumstances to look at markets outside of Canada. The Proposed Amendments were intended to clarify best execution obligations in a multiple marketplace environment in Canada. It should be noted that "marketplace" (defined under NI 21-101) refers to a marketplace within Canada. Due to questions raised about the clarification and in response to comments received, we have made a number of further changes.

The Proposed Amendments clarified our expectation that dealers should take into account all relevant information from all marketplaces trading the same securities and should not view their obligation as limited to marketplaces where they are participants. It was not our intention to set the expectation that a dealer must have access to real-time data feeds, but that it should have reasonable policies and procedures regarding best execution that include taking into consideration relevant information from all appropriate marketplaces, and monitoring these policies and procedures. We do not believe that a dealer could limit its best execution obligation by choosing to ignore certain marketplaces. Best execution is an assessment that is to be made by a dealer based on the particular circumstances, in accordance with its policies and procedures.

We do not agree that a market integrator or data consolidator is necessary in order to comply. In determining that mandated market integration was not required, the CSA relied on the views of an industry committee that stated that best execution responsibilities and the availability of pre- and post-trade information would be sufficient. We do agree, however, that the existence of an information processor displaying consolidated data would be helpful for best execution purposes. We are in the process of reviewing information processor applications.

We agree with the suggestion from one of the commenters that relevant information should include post-trade as well as pre-trade (order) information, and have reflected this in the amendment.

We also agree with the comments that price is only one element that dealers should consider when assessing best execution. Our review of trade-through and best execution is ongoing, and, upon completion of this review, we will propose changes to current requirements to further clarify the best execution obligation.

Electronic Audit Trail Requirements

One commenter noted that the electronic audit trail discussion in the notice of proposed amendments relates to a dealer/marketplace model and does not reflect the most recent thinking on how to implement TREATS. This commenter referred to comments it had previously provided on an alternate regulator-centric model for implementation over a dealer/marketplace centric model and noted it strongly endorses the proposed regulator-centric model. The commenter also believed that the timing for the cost-benefit analysis is premature and suggested that the cost benefit analysis be conducted only after requirements for all security classes have been finalized. The same respondent also sought clarification regarding the specific expectations regarding the revised exemption date of January 1, 2010, specifically, whether implementation will be completed for all security classes or it would be a phased-in implementation.

It was also suggested that Canadian regulators are seeking to achieve regulatory oversight objectives almost exclusively through technology solutions, and encouraged the regulators to invest in human resources to enhance their oversight capabilities.

One commenter highlighted the importance of dealers not only capturing order details at time of receipt, but also being able to compare market information at receipt of an order against standard industry benchmarks following completion of the order to allow dealers to know if they are meeting their fiduciary responsibility to achieve best execution. The commenter noted that it is important that institutional orders be captured electronically at origination.

One commenter urged the CSA to consider working through electronic audit trail requirements in the equity market first in a multiple marketplace environment before applying these requirements to the fixed income market, as the fixed income market has been successful with respect to reporting and record-keeping and that there is no urgency for regulatory intervention in this market.

Response:
We are currently considering the appropriate structure for TREATS, including whether any solution should be dealer/marketplace-centric versus regulator-centric. The structure will also have an impact on the amount of information that might be available to dealers for their own compliance purposes. At this time, dealer and marketplace data requirements for equities have been completed. The data requirements for the remaining securities classes under scope will be finished prior to the completion of the Cost-Benefit Analysis, expected by December 2007.

A plan for implementation will be devised once the data modeling is complete and any issues relating to they appropriate architecture for a TREATS facility have been resolved. A phased-in implementation is expected for each security class currently under the project's scope, commencing with equities.

Requirements for and Status of Information Processors for Debt and Equity

Two commenters suggested that an information processor that consolidates equity data should be introduced based on market forces. They were not supportive of mandating the use of an information processor but instead called for regulation that encouraged a market driven and competitive response to market data needs. One of them proposed that, once a threshold volume had been achieved, all vendors of consolidated market data be required to incorporate information from all marketplaces.

Response:
We believe that data consolidation and the availability of an information processor that meets the standards approved by regulators would ensure that a central source of consolidated data exists, and would help address best execution and market integrity issues. However, we will continue to monitor and re-visit the issues in order to determine whether a market-driven solution will be more appropriate in the future.

Deletion of Exemption from Information Transparency Requirements for Marketplaces Dealing in Exchange-Traded Securities that are Options or Foreign Exchange-Traded Securities that are Options

One commenter requested an extension, rather than the proposed deletion, of this exemption. The extension was requested until there is greater clarity as to the specific impact these transparency requirements may have on these types of securities.

Another commenter suggested that, in order to ensure a level playing field for all market participants, any synthetic or derivative type instruments (whether traded on or off a recognized exchange) that create an economic or risk exposure similar to those of fixed income instruments must be subject to the same reporting and transparency requirements of the equivalent cash instruments. This same commenter advocated the same pre-trade transparency requirements for all cash, derivative and synthetic instruments with orders, and recommended only sending post-trade information to the regulators.

Response:
We have decided to delete the section at this time and require transparency for exchange-traded securities that are options or foreign exchange-traded securities that are options. Currently, the Bourse de Montréal makes information available for exchange-traded securities that are options. There are no other marketplaces at this time trading exchange-traded securities that are options or foreign exchange-traded securities that are options.

Clarification That Marketplace Information Must Include Identification of the Marketplace and other Relevant Information

One commenter requested that the CSA clarify the implications of this proposed amendment. This commenter outlined the difficulty in specifying all of the marketplaces on a confirmation to investors in situations where an equity trade may be executed in part on several marketplaces as it may not be feasible to identify all marketplaces on a single confirmation slip, and the issuance of several confirmation slips relating to a single trade would be confusing to the investor. This commenter proposed that in this instance, a confirmation should be required to state "Multiple Marketplaces – details available upon request". This commenter was of the view that this proposed amendment does not apply to the fixed income market.

Response:
This amendment is intended to clarify that information provided by a marketplace to an information processor or information vendor must include all relevant information (including identity of the marketplace). This is distinguished from information to be included on a trade confirmation (which is not referred to in this amendment). With respect to a trade confirmation, if a trade is executed on multiple marketplaces, we are of the view that it is appropriate to state "multiple marketplaces – details available on request".

Other Amendments to 21-101CP

With respect to information regarding government debt securities and corporate debt securities to be sent to the information processor, one commenter requested clarification regarding the requirement that "the type of counterparty" be reported to the information processor.

Response:
The type of counterparty that would be reported to the information processor relates to the category of the counterparty to a trade. This may be "dealer", "client", etc. The collection of this information will help avoid double-counting of trades in a consolidated feed.

Registration Exemptions Not Available to an ATS

One commenter requested clarification on the legal purpose and effect of proposed section 6.2 of the Companion Policy to NI 21-101 since, in this commenter's view, an ATS registered as a dealer would not need dealer registration exemptions. This commenter assumed that the provision was not intended to restrict ATSs from engaging in trades executed by subscribers who are non-registered buy-side institutions.

The same commenter suggested that the amendment to section 6.2 of NI 21-101 and Companion Policy to NI 21-101 be reworded to clarify that non-ATS dealer activities are not impaired by this proposed section. [i.e. except as provided in this Instrument, the registration exemptions applicable to dealers under securities legislation are not available to an ATS in respect of its ATS activities.]

Response:
The intention of the proposed amendment is to clarify that, even though an ATS is registered as a dealer, the registration exemptions available to dealers are generally not available to an ATS (for example, the accredited investor exemption that is available to dealers is not available to an ATS). The only registration exemption contemplated in the ATS rules is that a securities regulatory authority may consider granting an exemption if an ATS is registered in one jurisdiction and only provides access to registered dealers in another jurisdiction(s).

Availability of Technology Specifications and Testing Facilities by a Marketplace Proposed amendments to NI 21-101, section 12.3

Some commenters were concerned about the practicality of the approach concerning the publication of technology requirements and testing facilities.

One commenter noted that the proposed changes represent a fundamental shift in the way the industry operates, which requires extensive effort and time to prepare. A few requested a longer timeframe for marketplaces to make any technology requirements regarding interfacing with or access to the marketplace available to the public. One commenter suggested that a new marketplace be required to publish its full technology requirements and provide testing facilities for a minimum of six months prior to operating. This commenter also submitted that it should be marketplaces, rather than dealers, who bear the costs of ensuring a marketplace's level of interconnectivity since this would better align development costs with potential benefits. In the alternative, it was suggested that the CSA strike an industry committee to examine the cost-benefits and efficiencies of the various alternatives.

One commenter noted that technology counterparties enter into agreements that protect intellectual property rights and suggested that consideration be given to an approach that incorporates counterparty agreements to accommodate this requirement.

Response:
We believe that requiring a marketplace to publish its technology specifications for two months prior to operating is an appropriate period. We do not agree that marketplaces, rather than dealers, should bear the costs of ensuring a marketplace's level of connectivity as this could be a barrier to entry for new marketplaces. Although intellectual property rights may be protected by agreements, we are of the view that appropriate technology specifications should be made available so that dealers are in a position to adequately prepare for new marketplaces.

Form 21-101F5 Amendments

With respect to adding the phrase "including validation processes" at the end of subsection 2 of the description of Exhibit G in Form 21-101F5, one commenter sought further clarification regarding the "data validation processes" as it had a concern that such processes may add latency and/or costs to the design, implementation and operation of the information processor system.

Response:
Section 14.4 of NI 21-101 requires an information processor to provide timely, accurate, reliable and fair collection, processing, distribution and publication of information for orders for, and trades in, securities. In order to comply with this requirement, the information processor may have data validation procedures and other processes to ensure data integrity. While we did not specify the type of data validation processes required, we will assess their overall adequacy in evaluating applications for the information processor role.

List of Commenters

1. Bank of Canada
2. Blackmont Capital Inc.
3. BMO Financial Group
4. CanDeal
5. CPP Investment Board
6. Inter Dealer Broker Association
7. Investment Dealers Association of Canada
8. Investment Industry Association of Canada
9. ITG Canada Corp.
10. Ministry of Finance, British Columbia
11. Perimeter Markets Inc.
12. RBC Financial Group
13. Scotia Capital Inc.
14. TD Securities Inc.
15. TSX Group Inc.

5.1.2 Amendments to NI 21-101 Marketplace Operation

AMENDMENTS TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

PART 1 AMENDMENTS

1.1 Amendments

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

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

"government debt security" means

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

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

(c) a debt security of a crown corporation,

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

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

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

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

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

(4) Part 7 is amended by:

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

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

c. repealing section 7.5; and

d. adding the following:

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

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

(5) Part 8 is amended by

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

A marketplace that displays orders of corporate debt securities to a person or company shall provide accurate and timely information regarding orders for designated corporate debt securities displayed on the marketplace to an information processor, as required by the information processor, or if there

is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

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

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

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

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

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

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

e. repealing section 8.5 and substituting the following:

"**8.5 Reporting Requirements for the Information Processor** – (1) The information processor shall report, within 30 days after the end of each calendar quarter, the process and criteria for selection of government debt securities, as applicable, and designated corporate debt securities and the list of government debt securities, as applicable, and designated corporate debt securities.

(2) The information processor shall report, within 30 days after the end of each calendar year, the process to communicate the designated securities to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by the Instrument, including where the list of designated securities can be found."; and

f. adding the following section:

"**8.6 Exemption for Government Debt Securities** – Section 8.1 does not apply until January 1, 2012."

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

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

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

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

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

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

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

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

PART 1 AMENDMENTS

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

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

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

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

PART 1 AMENDMENTS

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

(2) Part 1 Corporate Governance is amended by:

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

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

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

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

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

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

c. repealing the current description of Exhibit H and replacing it with:

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

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

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

(4) Part 4 Fees is amended by:

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

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

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

"**6. – Selection of Securities Reported to the Information Processor**

Exhibit T

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

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

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

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

AMENDMENTS TO COMPANION POLICY 21-101 CP – TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

PART 1 AMENDMENTS

1.1 Amendments

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

(2) Section 3.4 is amended by:

a. adding a new subsection 3.4(6):

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

b. renumbering the subsections accordingly.

(3) Section 9.1 is amended by:

a. adding a new subsection 9.1(2):

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

b. repealing subsection 9.1(5); and

c. renumbering the subsections accordingly.

(4) Part 10 is amended by

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

"10.1(1) The requirement to provide transparency of information regarding orders and trades of government debt securities in section 8.1 of the Instrument does not apply until January 1, 2012. The Canadian securities regulatory authorities will continue to review the transparency requirements, in order to determine if the transparency requirements summarized in subsections (2) and (3) below should be amended.";

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

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

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

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

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

c. repealing subsection 10.1(5) and substituting the following:

"10.1(5) The information processor is required to use transparent criteria and a transparent process to select government debt securities and designated corporate debt securities. The information processor is also required to make the criteria and the process publicly available."

AMENDMENTS TO NATIONAL INSTRUMENT 23-101 TRADING RULES

PART 1 AMENDMENTS

1.1 Amendments

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

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

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

(3) Part 7 is amended by

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

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

(4) Part 11 is amended by

a. adding subsection 11.1(2):

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

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

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

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

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

f. deleting subsection 11.2(5) and substituting:

"**Transmittal of Order Information** – A dealer and inter-dealer bond broker shall record and shall transmit within 10 business days to a securities regulatory authority or a regulation services provider the information required by the securities regulatory authority or the regulation services provider, in electronic form, as required by the securities regulatory authority or the regulation services provider.";

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

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

h. adding subsection 11.2(7):

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

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

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

1.2 Amendments

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

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

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

(4) Part 4 is amended by:

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

b. adding subsection 4.1(8):

“In order to meet best execution obligations where securities trade on multiple marketplaces in Canada, a dealer should consider information from all marketplaces (not just marketplaces where the dealer is a participant). This does not necessarily mean that a dealer must have access to real-time data feeds from each marketplace but that it should establish reasonable policies and procedures for best execution that include taking into account order and/or trade information from all appropriate marketplaces in the particular circumstances. The policies and procedures should be monitored on a regular basis. A dealer should also take steps, where appropriate, to access orders which may include making arrangements with another dealer who is a participant of a particular marketplace or routing an order to a particular marketplace.”

(5) Part 8 is amended by:

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

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

c. deleting section 8.3 and substituting the following:

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

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/30/2006	3	ABC Fundamental - Value Fund - Units	835,353.36	37,186.00
11/27/2006	1	Adriana Resources Inc. - Common Shares	273,000.00	650,000.00
11/27/2006	1	Adriana Resources Inc. - Flow-Through Shares	990,000.00	1,100,000.00
11/27/2006	1	AerCap Holdings N.V. - Common Shares	6,561,325.00	250,000.00
11/27/2006	2	AerCap Holdings N.V. - Common Shares	9,120,650.00	350,000.00
11/20/2006 to 11/27/2006	1	Alesco Financial Inc. - Common Shares	91,773.00	9,000.00
11/29/2006	2	Allon Therapeutics Inc. - Units	1,020,000.00	1,275,000.00
11/29/2006	134	Alpha Energy Flow-Through Fund (2006) LP - Units	2,783,400.00	111,336.00
12/01/2006	2	Arianne Resources Inc. - Units	500,000.00	2,702,702.00
08/14/2006	1	Armistice Resources Corp. - Common Shares	50,000.00	100,000.00
08/14/2006	7	Armistice Resources Corp. - Flow-Through Shares	4,002,248.95	6,157,306.08
11/23/2006	61	Artemis Exploration Inc. - Common Shares	9,516,935.00	NA
11/22/2006	7	ATW Ventures Corp. - Units	64,125.00	142,500.00
11/30/2006	1	Aura Gold Inc. - Common Shares	20,000.00	100,000.00
11/21/2006	125	Avalanche Networks Corp. - Units	3,000,000.00	12,000,000.00
11/20/2006	6	B2 Networks Inc. - Common Shares	2,524,060.00	328,358.00
12/01/2006	6	Bison Income Trust II - Units	120,990.15	12,099.02
11/05/2006	8	Cadillac Ventures Inc. - Units	363,499.70	2,423,331.00
11/29/2006	1	Canadian Trading and Quotation System Inc. - Note	200,000.00	1.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/23/2006	32	Canadian Zinc Corporation - Flow-Through Shares	8,000,000.30	6,956,522.00
11/23/2006	49	Canadian Zinc Corporation - Units	4,999,999.50	5,555,555.00
09/15/2006	24	Cancor Mines Inc. - Units	1,007,000.75	575,429.00
11/28/2006	94	Canlib Resources Inc. - Common Shares	1,153,468.37	3,399,252.53
11/30/2006	164	Cardel Income Fund - Trust Units	114,800.00	16,400.00
11/24/2006	2	Citigroup Masters IV Offshore L.P. A-1 Caymen Island Limited Partnership - Units	1,130,500.00	1,000.00
11/24/2006	13	Commerzbank Aktiengesclschaft - Notes	285,000,000.00	NA
11/28/2006	150	Continental Precious Minerals Inc. - Units	15,999,998.00	12,307,691.00
11/23/2006	46	CopperCo Resources Corp. - Receipts	20,000,000.00	5,000,000.00
10/03/2006 to 11/17/2006	1	Crescent Gold Limited - Common Shares	7,500,000.00	25,000,000.00
11/27/2006	20	Cue Capital Corp. - Receipts	3,850,000.00	7,700,000.00
11/21/2006 to 11/24/2006	22	D-Box Technologies Inc. - Common Shares	2,330,000.00	4,660,000.00
11/30/2006	1	Davis-Rea Ltd. Balanced Pooled Fund - Units	242,431.13	21,013.75
11/27/2006	14	Drumlin Energy Corp. - Common Shares	1,473,000.00	250,000.00
11/17/2006 to 11/24/2006	123	Dynasty Gaming Inc. - Units	6,000,000.00	10,000,000.00
11/30/2006	45	E4 Energy Inc. - Common Shares	7,000,200.00	3,889,000.00
11/22/2006	1	Elan Finance public limited company - Note	384,215.40	1.00
11/15/2006	28	Falcon Ridge RMH Limited Partnership - Limited Partnership Units	1,140,000.00	105.30
11/28/2006	21	Fieldex Exploration Inc - Common Shares	1,679,999.58	3,999,999.00
11/16/2006	1	First American Financial Holdings Inc. - Common Shares	150,000.00	20,000.00
11/30/2006	153	First Capital Realty Inc. - Debentures	50,500,000.00	5,050,000.00
11/16/2006 to 11/25/2006	72	Fisgard Capital Corporation - Common Shares	1,031,232.00	NA

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/16/2006	7	Freescale Semiconductor Inc - Bonds	33,115,100.00	29,000.00
11/20/2006 to 11/24/2006	22	General Motors Acceptance Corporation of Canada, Limited - Notes	8,424,278.18	8,424,278.18
11/28/2006	9	GFI Oil & Gas Corporation - Common Shares	44,325,640.00	65,023,293.00
11/29/2006	5	Gloucester Credit Card Trust - Notes	349,000,000.00	2.00
11/24/2006	6	Golden Harker Exploration Limited - Flow-Through Shares	300,000.00	NA
11/15/2006	43	Golden Harp Resources Inc. - Units	600,000.00	NA
11/28/2006	2	Golden Valley Mines Ltd. - Common Shares	1,023,000.00	3,100,000.00
12/01/2006	6	Harvard Mortgage Investment Corporation - Common Shares	224,000.00	22,400.00
11/24/2006	1	Hedgeforum Single Manager Platform - Units	5,652,500.00	5,000.00
11/21/2006	11	Hertz Global Hodings, Inc. - Common Shares	4,316,625.00	250,000.00
11/08/2006	5	Hochschild Mining plc - Common Shares	21,305,020.92	2,865,000.00
05/04/2006 to 05/05/2006	5	ICS Copper Systems Ltd. - Common Shares	95,000.00	800,000.00
11/17/2006	84	ICS Copper Systems Ltd. - Common Shares	2,027,200.00	8,184,000.00
11/30/2006	1	Impact Drilling Ltd. - Debentures	50,000.00	50.00
11/21/2006	1	Imperial Capital Acquisition Fund III (Institutional) 2 Limited Partnership - Units	335,000.00	335,000.00
11/24/2006	1	Imperial Capital Acquisition Fund III (Institutional) 3 Limited Partnership - Units	167,000.00	167,000.00
11/21/2006	2	KBR, Inc. - Common Shares	4,892,175.00	250,000.00
11/17/2006	3	KBSH Income Trust Fund - Units	84,000.00	7,317.28
11/17/2006	3	KBSH Private - Balanced Registered Fund - Units	484,228.33	43,199.96
11/17/2006	4	KBSH Private - Canadian Equity Fund - Units	218,000.00	12,055.52
11/17/2006	2	KBSH Private - Canadian Equity Value Fund - Units	112,000.00	10,891.76
12/01/2006	2	KBSH Private - Fixed Income Fund - Units	357,000.00	34,569.58

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/17/2006	2	KBSH Private - Global Value Fund - Units	233,000.00	23,211.80
11/17/2006	2	KBSH Private - International Fund - Units	56,000.00	46,968.06
11/17/2006	2	KBSH Private - U.S. Equity Fund - Units	36,897.04	2,754.31
12/01/2006	11	Kinbauri Gold Corp. - Units	1,045,000.00	1,900,000.00
12/01/2006	12	Kingsman Resources Inc. - Flow-Through Units	425,000.00	2,500,000.00
12/01/2006	20	Kingsman Resources Inc. - Units	225,000.00	1,500,000.00
11/30/2006	4	Kingwest Avenue Portfolio - Units	526,253.02	15,441.61
11/20/2006	21	Latin American Minerals Inc. - Units	3,350,500.00	13,402,000.00
11/24/2006	54	Leeward Capital Corp. - Units	784,500.00	7,845,000.00
11/13/2006	1	LLoyds TSB Group plc - Common Shares	22,754,000.00	20,000,000.00
11/06/2006	1	MediMedia USA, Inc. - Note	284,225.00	1.00
12/01/2006	114	Merrill Lynch Canada Finance Company - Notes	5,044,900.00	50,449.00
12/01/2006	5	Metamedia Capital Corp. - Units	165,000.00	235,716.00
11/24/2006	34	Metrobridge Networks Corporation - Common Shares	627,499.70	1,394,440.00
11/30/2006	2	Mint Technology Corp. - Special Warrants	4,831,481.00	NA
11/30/2006	78	Miramar Mining Corporation - Flow-Through Shares	15,000,027.00	2,040,820.00
10/23/2006	20	Newport Diversified Hedge Fund - Units	568,759.13	4,423.77
11/16/2006	9	Nymex Holdings, Inc. - Common Shares	5,723,619.50	85,000.00
11/20/2006	1	OPEL International Inc. - Units	229,460.00	NA
12/05/2006	2	Opsens Inc. - Units	1,100,000.00	2,444,444.44
11/22/2006	90	OPTI Canada Inc. - Common Shares	40,367,400.00	1,770,500.00
11/23/2006 to 11/24/2006	40	P2P Health Systems Inc. - Units	250,000.00	5,000,000.00
11/27/2006	17	Pacrim North York Limited Partnership - Limited Partnership Units	1,000,000.00	1,000.00
11/28/2006	120	Paramount Resources Ltd. - Common Shares	32,936,625.00	2,000,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/27/2006	7	PFC 2016 Pacific Financial Corp. - Bonds	315,000.00	315.00
11/29/2006	5	Platte River Gold Inc. - Units	5,651,606.68	1,658,335.00
12/01/2006	1	Promittere Retirement Trust - Units	19,504.80	1,724.56
10/12/2006	91	Pure Biofuels Corp. - Units	5,329,097.90	6,269,527.00
11/03/2006	65	Purepoint Uranium Corporation - Flow-Through Shares	3,119,160.00	4,587,000.00
11/30/2006	40	Purepoint Uranium Corporation - Units	1,525,200.00	2,542,000.00
12/04/2006	1	Quantec Geoscience Limited - Common Shares	1,000,000.00	1,221,050.00
11/17/2006	1	RARE Hospitality International Inc. - Units	1,131,600.00	NA
12/01/2006	1	Renaissance Institutional Equities Fund International L.P. - Limited Partnership Interest	4,945,000.00	1.00
12/01/2006	1	Renaissance Institutional Equities Fund International L.P. - Limited Partnership Interest	1,150,000.00	1.00
11/17/2006	2	Rental Service Corporation and RSC Holdings III, LLC - Notes	2,294,800.00	2,000.00
11/14/2006	1	R. H. Donnelley Corporation - Common Shares	17,092,500.00	250,000.00
11/22/2006	90	San Gold Corporation - Debentures	2,473,000.00	2,473.00
11/30/2006	2	Sciemetric Instruments Inc. - Debentures	700,000.00	2.00
11/21/2006 to 11/24/2006	97	Seeker Petroleum Ltd. - Common Shares	13,482,750.00	9,120,000.00
11/29/2006	14	Serrano Energy Ltd. - Flow-Through Shares	373,250.00	1,237,200.00
12/01/2006	3	Sherwood Copper Corporation - Common Shares	3,679,500.00	1,115,000.00
12/01/2006	10	Sherwood Copper Corporation - Flow-Through Shares	1,976,250.00	465,000.00
11/30/2006	27	ShifTV Inc. - Units	3,300,000.00	6,600,000.00
11/28/2006	38	Sidon International Resources Corporation - Units	603,350.10	4,022,333.00
11/21/2006	28	Sierra Geothermal Power Corp. - Common Shares	2,194,863.25	8,779,453.00
11/24/2006	1	Silver Creek Special Opportunities Fund Cayman II, L.P - Limited Partnership Interest	170,190,000.00	NA

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/22/2006	3	Silver Shield Resources Inc. - Units	31,000.00	310,000.00
11/21/2006	1	Six Iron Productions Limited Partnership - Units	250,272,580.42	218,121.48
11/21/2006	1	Skyharbour Resources Ltd. - Units	400,000.00	4,000,000.00
11/30/2006	1	SMART Trust - Note	709,053.25	1.00
12/07/2006	1	SMART Trust - Note	3,096,391.26	1.00
12/01/2006	2	Spartan Arbitrage Fund Limited Partnership - Units	1,000,000.00	80.00
12/01/2006	2	Spartan Arbitrage Fund Limited Partnership - Units	1,000,000.00	800.00
11/27/2006	3	Spirit AeroSystems Holdings, Inc. - Common Shares	14,389,271.00	485,000.00
11/27/2006	305	Stone 2006-II Flow-Through Limited Partnership - Units	9,946,350.00	397,854.00
11/29/2006	2	Stornoway Diamond Corporation - Common Shares	4,000,000.00	3,200,000.00
11/21/2006	152	Terra Energy Corp. - Flow-Through Shares	15,713,000.00	8,270,000.00
11/30/2006	5	The McElvaine Investment Trust - Trust Units	432,320.78	16,241.12
11/30/2006	7	Timber Ridge Real Estate (101) Limited Partnership - Units	700,000.00	700,000.00
12/04/2006	95	TransAtlantic Petroleum Corp. - Units	4,367,002.50	4,500,000.00
11/07/2006	1	Trez Capital Corporation - Mortgage	250,000.00	1.00
11/30/2006	27	True North Gems Inc. - Units	992,576.00	1,527,040.00
10/03/2006	1	UBS (LUX) Equity Fund Greater China - Units	10,173.35	80.00
11/21/2006 to 11/24/2006	3	VE Networks, Inc. - Notes	34,327.50	3.00
11/13/2006	10	World Heart Corporation - Common Shares	3,109,425.00	11,000,000.00
11/24/2006	4	Yukon Resources Corp. - Flow-Through Shares	3,021,000.00	5,300,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
AXMIN Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
$35,150,000.00 - 37,000,000 Common Shares Price: $ 0.95 per Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #1030389

Issuer Name:
Brandes Sionna Canadian Equity Fund
Brandes Sionna Canadian Small Cap Equity Fund
Brandes Sionna Diversified Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated December 5, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
Class A, F, L M and I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co.
Project #1028139

Issuer Name:
Brookfield Properties Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 8, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
US$ * - * Common Shares Price: US$ * per Common Share
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
J.P. Morgan Securities Canada Inc.
Promoter(s):
-
Project #1029471

Issuer Name:
Carlisle Goldfields Limited
Principal Regulator - Manitoba
Type and Date:
Preliminary Prospectus dated December 7, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
Maximum Offering of $11,000,000.00 (6,000,000 Units and 14,545,454 Flow-Through Shares)
Price: $0.50 per Unit and $0.55 per Flow-Through Share and 3,190,000 Flow-Through Shares, 810,000 Common Shares and 405,000 common share purchase warrants issuable upon exercise of 4,000,000 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Promoter(s):
Stephen Mlot
Project #1029313

Issuer Name:
Cascades Inc.
Principal Regulator - Quebec
Type and Date:
Amended and Restated Preliminary Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
$200,008,750.00 - 15,095,000 Subscription Receipts, each representing the right to receive one Common Share Price: $13.25 per Subscription Receipt
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #1028063

Issuer Name:
Creststreet Resource Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
2007 Series Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Creststreet Asset Management Limited
Project #1028864

Issuer Name:
Cumbre Ventures Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated December 8, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
$200,000.00 - 1,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corp.
Promoter(s):
Marc Cernovitch
Project #1029664

Issuer Name:
Desjardins Canadian Equity Value Fund
Desjardins Emerging Markets Fund
Desjardins Global Real Estate Fund
Desjardins Northwest Specialty Equity Fund
Desjardins Northwest Specialty Global High Yield Bond Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated December 4, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
Class A, I and T Units
Underwriter(s) or Distributor(s):
Féderation des caisses Desjardins de Québec
Promoter(s):
Federation Des Caisses Desjardins Du Quebec
Project #1028267

Issuer Name:
Detour Gold Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 5, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
$ * - Minimum Offering of 5,000,000 Common Shares
Maximum Offering of 10,000,000 Common Shares
Price: $* per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Haywood Securities Inc.
TD Securities Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1029020

Issuer Name:
General Motors Acceptance Corporation of Canada, Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated December 7, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
Debt Securities $7,000,000,000.00 Unconditionally guaranteed as to principal and interest by
GMAC LLC, a Delaware limited liability company
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1029464

Project #1027338

Issuer Name:
Lakeview KBSH Diversified Income Explorer Fund
Lakeview KBSH Global Value Explorer Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated December 11, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
Series A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lakeview Asset Mangement Inc.
Project #1030449

Issuer Name:
MD Income and Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 11, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
MD Private Trust Company
MD Management Limited
Promoter(s):
MD Private Trust Company
Project #1030103

Issuer Name:
MDPIM Dividend Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated December 11, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
MD Private Trust Company
Project #1030121

Issuer Name:
Photowatt Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Second Amended and Restated Preliminary Prospectus dated December 11, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
UBS Securities Canada Inc.
Promoter(s):
ATS Automation Toolding Systems Inc.
Project #989241

Issuer Name:
Primaris Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 7, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
$100,440,000.00 - 5,400,000 Units Price: $18.60 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1029042

Issuer Name:
sxr Uranium One Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
$ 135,000,000.00 - 4.25% Convertible Unsecured Subordinated Debentures due December 31, 2011
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Orion Securities Inc.
Sprott Securities Inc.
Wellington West Capital Markets Inc.
Raymond James Ltd.
Toll Cross Securities Inc.
Promoter(s):
-
Project #1028533

Issuer Name:
sxr Uranium One Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated December 11, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
$ 135,000,000.00 - 4.25% Convertible Unsecured Subordinated Debentures due December 31, 2011
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Orion Securities Inc.
Sprott Securities Inc.
Wellington West Capital Markets Inc.
Raymond James Ltd.
Toll Cross Securities Inc.
Promoter(s):
-
Project #1028533

Issuer Name:
Textron Financial Canada Funding Corp.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary MJDS Prospectus dated December 7, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
Guaranteed Debt Securities of
Textron Financial Canada Funding Corp.
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1029038

Issuer Name:
Verenex Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
$30,000,000.00 - 4,687,500 Common Shares Price: $6.40 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Haywood Securities Inc.
Tristone Capital Inc.
Orion Securities Inc.
Promoter(s):
Vermilion Resources Ltd.
Project #1028568

Issuer Name:
Series A, I and F Units of:
Accumulus Talisman Fund
Accumulus Diversified Monthly Income Fund
Accumulus Leon Frazer Balanced Fund (formerly Accumulus Balanced Fund)
Accumulus North American Momentum Fund
Series A and I Units of :
Accumulus Short-Term Income Fund
Principal Regulator - Ontario
Type and Date:

- Amended and Restated Simplified Prospectuses dated November 30th, 2006, amending and restating the Amended and Restated Simplified Prospectuses dated June 12th, 2006, amending; and restating the Simplified Prospectuses dated April 10th, 2006; and
- Amendment No. 2 dated November 30th, 2006 to the Annual Information Forms dated April 10th, 2006 of the above Issuers.

Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
Series A, I and F Units @Net Asset Value
Underwriter(s) or Distributor(s):
MGI Securities Inc.
Promoter(s):
Accumulus Management Ltd.
Project #881876

Issuer Name:
ACTIVEnergy Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
Offering of 24,255,000 Rights to Subscribe for an Aggregate of 8,085,000 Units
Subscription Price: Three Rights and $9.30 per Unit
Underwriter(s) or Distributor(s):
Middlefiled Capital Corporation
Promoter(s):
Middlefield Group Limited
Middlefield ACTIVEnergy Management Limited
Project #1003517

Issuer Name:
Capital International - Global Equity
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 4, 2006 to Final Simplified Prospectus and Annual Information Form dated June 16, 2006
Mutual Reliance Review System Receipt dated December 11, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Capital Internation Asset Management (Canada), Inc.
Project #942311

Issuer Name:
CI Canadian Investment Fund
CI Canadian Small/Mid Cap Fund
CI Canadian Asset Allocation Fund
Synergy Tactical Asset Allocation Fund
CI Global High Dividend Advantage Fund
and
CI Canadian Investment Corporate Class
Synergy Canadian Style Management Corporate Class
Select Canadian Equity Managed Corporate Class
CI Emerging Markets Corporate Class
(also offers Class I Shares)
Signature Corporate Bond Corporate Class
(also offers Class I Shares)
CI International Value Corporate Class
CI Short-Term Corporate Class
CI Short-Term US$ Corporate Class
of
CI Corporate Class Limited
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 22, 2006 to Final Simplified Prospectuses and Annual Information Forms dated July 28, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #960907

Issuer Name:
Corridor Resources Inc.
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
$30,550,000.00 - 4,700,000 Common Shares Price: $6.50 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Jennings Capital Inc.
D&D Securities Company
Beacon Securities Limited
Promoter(s):
-
Project #1022561

Issuer Name:
FortisAlberta Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated December 6, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
$350,000,000.00 - Medium Term Note Debentures (unsecured)
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Casgrain & Company Limited
Promoter(s):
-
Project #1024559

Issuer Name:
CI Canadian Investment Fund
CI Canadian Small/Mid Cap Fund
CI Canadian Asset Allocation Fund
Synergy Tactical Asset Allocation Fund
CI Global High Dividend Advantage Fund
and
CI Canadian Investment Corporate Class
Synergy Canadian Style Management Corporate Class
Select Canadian Equity Managed Corporate Class
CI Emerging Markets Corporate Class
(also offers Class I Shares)
Signature Corporate Bond Corporate Class
(also offers Class I Shares)
CI International Value Corporate Class
CI Short-Term Corporate Class
CI Short-Term US$ Corporate Class
of
CI Corporate Class Limited
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 22, 2006 to the Simplified Prospectuses and Annual Information Forms dated July 28, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #964962

Issuer Name:
Legg Mason Private Client Canadian Bond Portfolio
Legg Mason Private Client Canadian Equity Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 4, 2006 to the Simplified Prospectuses and Annual Information Forms dated October 27, 2006
Mutual Reliance Review System Receipt dated December 7, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Legg Mason Canada Inc.
Promoter(s):
-
Project #994379

Issuer Name:
Mackenzie Cundill Canadian Security Fund
(Series C, F, G, I and O Units)
Mackenzie Growth Fund
(Series A, F, G. I and O Units)
Mackenzie Ivy Canadian Fund
(Series A, F, I and O Units of the Hedged Class and Series A, F, G, I and O Units of the Unhedged Class)
Mackenzie Maxxum Canadian Equity Growth Fund
(Series A, F, I and O Units)
Mackenzie Maxxum Canadian Value Fund
(Series A, F, I and O Units)
Mackenzie Maxxum Dividend Fund
(Series A, F, G, I, O and T Units)
Mackenzie Maxxum Dividend Growth Fund
(Series A, F, G, I and O Units)
Mackenzie Focus Canada Fund (formerly Mackenzie Select Managers Canada Fund)
(Series A, F, I, M and O Units)
Mackenzie Universal Canadian Growth Fund
(Series A, F, G, I and O Units)
Mackenzie Ivy Enterprise Fund
(Series A, F, G, I, M and O Units)
Mackenzie Cundill Recovery Fund
(Series O Units)
Mackenzie Cundill Value Fund
(Series C, F, G, I, O and T Units)
Mackenzie Focus Fund (formerly Mackenzie Select Managers Fund)
(Series A, F, I and O Units)
Mackenzie Founders Fund
(Series A, F, I, O and T Units)
Mackenzie Ivy Foreign Equity Fund
(Series A, F, G, I and O Units)
Mackenzie Universal European Opportunities Fund
(Series A, F, I and O Units)
Mackenzie Universal Global Future Fund
(Series A, F, I and O Units)
Mackenzie Universal International Stock Fund
(Series A, F, I and O Units)
Mackenzie Universal U .S. Growth Leaders Fund
(Series A, F, I and O Units)
Mackenzie Universal U .S. Dividend Income Fund
(Series A, F, I and O Units of the Hedged Class and Unhedged Class)
Mackenzie Universal World Growth RRSP Fund
(Series A, F, I and O Units)
Mackenzie Universal Canadian Resource Fund
(Series A, F, G, I and O Units)
Mackenzie Universal Precious Metals Fund
(Series A, F, I and O Units)
Mackenzie Balanced Fund
(Series A, F, I, O and T Units)
Mackenzie Cundill Canadian Balanced Fund
(Series C, F, G, I, O, P and T Units)
Mackenzie Ivy Growth and Income Fund
(Series A, F, G, I, O, P and T Units)
Mackenzie Maxxum Canadian Balanced Fund
(Series A, F, I, O and T Units)
Mackenzie Maxxum Monthly Income Fund
(Series A, F, I, O and T Units)
Mackenzie Sentinel Bond Fund
(Series A, F, G, I, M and O Units)
Mackenzie Sentinel Cash Management Fund
(Series A and O Units)
Mackenzie Sentinel Corporate Bond Fund
(Series A, F, I, G and O Units)
Mackenzie Sentinel Diversified Income Fund
(Series A, F, G, I and O Units)
Mackenzie Sentinel Income Fund
(Series A, B, C, F, G, I and O Units)
Mackenzie Sentinel Income Trust Fund
(Series A, F, I and O Units)
Mackenzie Sentinel Money Market Fund
(Series A, B and I Units)
Mackenzie Sentinel Real Return Bond Fund
(Series A, F, G, I and O Units)
Mackenzie Sentinel Short -Term Income Fund (formerly, Mackenzie Sentinel
Mortgage Fund)
(Series A, F, G, I, M and O Units)
Mackenzie Universal Canadian Balanced Fund
(Series A, F, G, I, O and T Units)
Mackenzie Cundill Global Balanced Fund
(Series C, F, G, I, O and T Units)
Mackenzie Ivy Global Balanced Fund
(Series A, F, I, O and T Units)
Mackenzie Sentinel Global Bond Fund
(formerly, Mackenzie Sentinel RRSP Global Bond Fund)
(Series A, F, I and O Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 7, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #1007691

Issuer Name:
Manulife Finance (Delaware), L.P.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 8, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
(1) $550,000,000.00 principal amount of 4.448% Fixed/Floating Senior Debentures Due December 15, 2026; (2) $650,000,000.00 principal amount of 5.059% Fixed/Floating Subordinated Debentures Due December 15, 2041
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Promoter(s):
-
Project #1027652

Issuer Name:
NSC Canadian Balanced Income Fund
NSC Canadian Equity Fund
NSC Global Balanced Fund
Type and Date:
Final Simplified Prospectuses dated December 8, 2006
Receipted on December 8, 2006
Offering Price and Description:
Class A and Class I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1012514

Issuer Name:
Petrobank Energy and Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 8, 2006
Mutual Reliance Review System Receipt dated December 8, 2006
Offering Price and Description:
$53,250,000.00 - 3,000,000 Common Shares and $34,500,000.00 - 1,500,000 Flow-Through Shares Price: $17.75 per Common Share $23.00 per Flow-Through Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
TD Securities Inc.
Fraser Mackenzie Limited
Promoter(s):
-
Project #1027395

Issuer Name:
Resolve Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated December 8, 2006
Mutual Reliance Review System Receipt dated December 12, 2006
Offering Price and Description:
Minimum: 3,000 Units ($3,000,000.00); Maximum: 7,000 Units ($7,000,000.00) Price: $1,000 per Unit - Minimum subscription: 5 Units ($5,000.00)
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Owen C. Pinnell
Ross O. Drysdale
Project #1013904

Issuer Name:
Sprott Energy Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated November 30, 2006 to the Simplified Prospectus and Annual Information Form dated April 26, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sprott Asset Management Inc.
Promoter(s):
Sprott Asset Management Inc.
Project #908103

Issuer Name:
SYMMETRY EQUITY CLASS
(Series A, F, I, O and W Shares) of MACKENZIE FINANCIAL CAPITAL CORPORATION
SYMMETRY MANAGED RETURN CLASS
(Series A, F, I, O and W Shares) of MACKENZIE FINANCIAL CAPITAL CORPORATION
SYMMETRY REGISTERED FIXED INCOME POOL
(Series A, F, I, O and W Units)
SYMMETRY ALLOCATION POOL
(Series A units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated November 30, 2006
Mutual Reliance Review System Receipt dated December 6, 2006
Offering Price and Description:
Series A, F, I, O and W Shares and Series A, F, I, O and W Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #1010354

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Chapter 12

Registrations

12.1.1 Registrants

[OSC Editor's note: the notice from Volume 29, Issue 49 of the OSC Bulletin stating that KidsFutures Investments Inc. and Independence Investment Inc. had voluntarily surrendered their registration is incorrect. It should have read Consent to Suspension (Rule 33-501 - Surrender of Registration). The corrected information is included below.]

Type	Company	Category of Registration	Effective Date
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	KidsFutures Investments Inc.	Mutual Fund Dealer and Scholarship Plan Dealer	December 4, 2006
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	Independence Investment Inc.	International Adviser (Investment Counsel & Portfolio Manager)	December 5, 2006
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	Fiscal Agents Ltd.	Mutual Fund Dealer and Limited Market Dealer	December 6, 2006
New Registration	Sterling Grace & Co.	Limited Market Dealer	December 7, 2006
Name Change	From : BNP Paribas Peregrine Securities Limited To : BNP Paribas Securities (Asia) Limited	International Dealer	December 7, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Toronto Stock Exchange Notice of Approval of Housekeeping Amendments to the Toronto Stock Exchange Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

HOUSEKEEPING AMENDMENTS TO THE TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction

In accordance with the "Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals" (the "Protocol") between the Ontario Securities Commission (the "OSC") and Toronto Stock Exchange ("TSX"), TSX has adopted and the OSC has approved, various amendments (the "Amendments") to the TSX Company Manual (the "Manual"). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments

The Amendments have been made in order to centralize all defined terms into Part I – *Introduction* of the Manual; to update cross references within the Manual and to securities laws; and to better organize certain lengthy sections.

Summary of the Amendments

The Amendments represent a number of housekeeping amendments to various Parts of the Manual, and are summarized as follows:

Part I - *Introduction*:	All definitions throughout the Manual have been centralized in Part I, and have not changed. They have only been moved from other parts of the Manual. Five additional definitions have been formalized as well, which are: the "Exchange", "IPO", the "Manual", "NCIB" and "SecureFile". The commentary has also been updated to reflect updates to definitions and the repeal of Part II of the Manual.
Part II - *Why List on the Toronto Stock Exchange*:	The content in Part II has been deleted and will not be replaced with anything at this time. Part II contained a brief summary of the history of TSX and did not contain any rules, policies or procedures. It was out of date and no longer added value to the Manual. Its removal has no impact on applicants or listed issuers.
Part III – *Original Listing Requirements* **and** **Appendix A – *Original Listing Application***	The terms Company Manual, Ontario Securities Commission, *Securities Act* (Ontario) and Canadian Securities Administrators throughout Part III have been replaced with Manual, OSC, OSA and CSA, respectively. The cross reference in Section 328 has been updated to reflect the replacement of Appendix E with Section 624 of the Manual on January 1, 2005, and the number of preliminary prospectus copies needed in Section 339 and on page A-1 of the Listing Application has been reduced from 35 to 24. Sections 345 and 354.1 have been updated to reflect new department names and email addresses. The second sentence of the second paragraph of Section 352 has been deleted since original listing files are no longer provided to the Listings Advisory Committee ("LAC"), which is made up of persons in the securities industry, for consultation. Original listing files continue to be reviewed by the Listings Committee, which is made of internal staff. The LAC was rarely engaged in the review of original listing files, and as a result, its mandate has changed and it will be used for policy consultation only.
Part IV – *Maintaining a Listing – General Requirements*:	The terms Ontario Securities Commission, *Securities Act* (Ontario) and Canadian Securities Administrators throughout Part IV have been replaced with OSC, OSA and CSA, respectively, and the definition for Market Regulation Services Inc. has been moved to Part I.

	Section 424 has been updated to reflect the latest list of Reporting Forms. Section 431 has been revised to clarify the procedure that a listed issuer must follow when a dividend or distribution is declared. The procedure requires the filing of Form 5 – Dividend/Distribution Declaration, followed by a telephone call to TSX to confirm receipt of the Form 5. Sections 437 and 443 have been updated to reflect changes to mailing and filing deadlines for annual and interim financial statements, respectively, by the commissions. The cross reference in Section 458 has been updated to reflect the replacement of Appendix E with Section 624 of the Manual on January 1, 2005.
Part V – *Special Requirements for Non-Exempt Issuers*:	The term "unrelated" has been clarified to refer to transactions where the director is not related to the transaction. "Unrelated" in this Part, is not, and was not intended to be, a defined term. There was some confusion that the definition of this term had been deleted when Sections 473-475 were repealed, but that was not the case. Cross references in Subsection 501(c) have also been updated.
Part VI – *Changes in Capital Structure of Listed Issuers*:	The terms Ontario Securities Commission and *Securities Act* (Ontario) in Part VI have been replaced with OSC and OSA, respectively, and all definitions in Section 601 have been moved to Part I. Cross references in Subsections 615(a), 616(a) and 634(a) have also been updated. Subheadings have been added to Section 613 for easier reference to subsections on security based compensation arrangements. Procedures for amending security based compensation arrangements, as set out in Subsection 613(d), have been clarified and set out in more detail in new Subsection 613(k).
Form 4 – *Personal Information Form (PIF)*:	A typo in the word "your" in Question 8B(iv) has been corrected.
***Declaration (stand-alone to PIF)*:**	Additional information lines have been added to the beginning of the Declaration so that TSX can better identify the issuer for which the Declaration is being submitted. Two other minor changes were made so that the Declaration remains identical in substance to the statutory declaration at the rear of the PIF. These changes were inadvertently missed in the past.
Form 11 – *Notice of Private Placement*:	Question 3(d) has been updated to reflect the change in location of the definition for the term "market price".

Effective Date

The Amendments become effective on **December 11, 2006**.

The Amendments are attached as **Appendix A**.

Questions relating to this notice can be directed to:

Luana N. DiCandia
Policy Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Tel: (416) 947-4246
Fax: (416) 947-4461
Email: luana.dicandia@tsx.com

APPENDIX A:

NOTICE OF APPROVAL TO HOUSEKEEPING AMENDMENTS

The TSX Company Manual (the "Manual") is amended as follows:

1. Part I – *Introduction* is amended as attached in Schedule 1.

2. Part II – *Why List on the Toronto Stock Exchange?* is repealed and deleted from the Manual.

3. Part III – *Original Listing Requirements* is amended as follows:

   a. The terms Company Manual, Ontario Securities Commission, *Securities Act* (Ontario) and Canadian Securities Administrators throughout Part III have been replaced with Manual, OSC, OSA and CSA, respectively.

   b. "**Section 328:** Where a company applies to list a class of participating shares, …reference should be made to Section 624 and applicable securities laws ~~the Exchange Policy Statement on Restricted Shares, which is set out in Appendix E, and Ontario Securities Commission Policy 1.3~~."

   c. "**Section 339:** …24 ~~35~~ copies of the preliminary prospectus must be filed with the Exchange for this purpose, together with completed Personal Information Forms (Appendix A). …"

   d. The email address in Section 345 has been changed to "listedissuers@tsx.com."

   e. In Section 352, the second sentence of the second paragraph has been deleted.

   f. In Section 354.1 the words "Vice President, Advisory Affairs and/or" have been deleted, and the words "and/or his/her designate" have been added to the end of the sentence.

4. Part IV – *Maintaining a Listing – General Requirements* is amended as follows:

   a. The terms Ontario Securities Commission, *Securities Act* (Ontario) and Canadian Securities Administrators throughout Part IV have been replaced with OSC, OSA and CSA, respectively, and the definition for Market Regulation Services Inc. has been moved to Part I.

   b. "**Section 424:** ….

      - ….
      - FORM 10 – Change in Principal Business (deleted and combined with FORM 2 as of May 29, 2006)
      - FORM 11 – Notice of Private Placement
      - FORM 12 – Notice of Intention to Make a Normal Course Issuer Bid (pending final approval of Sections 628-629 & 629.2-629.3)
      - FORM 13 – Notice of Intention to Make a Debt Substantial Issuer Bid (pending final approval of Sections 628-629 & 629.2-629.3)
      - FORM 14 A&B– NCIB Monthly Reporting Forms (pending final approval of Sections 628-629 & 629.2-629.3)

      See Appendix H: Company Reporting Forms for filing instructions~~and the forms~~."

   c. "**Section 431:** Listed Issuer Services of the Exchange should be notified of a dividend declaration in writing by filing a Form 5 – Dividend/Distribution Declaration by SecureFile ~~telephone~~ immediately following, or even during, the directors' meeting at which the decision to declare the dividend is made. ~~Frequently, the Exchange staff will immediately contact the company following notification in order to verify the authenticity of the announcement. However, as the Exchange's Listed Issuer Services has an intimate knowledge of the listed companies and their dividend policies, such additional safeguards are not always necessary.~~ All Form 5 ~~telephone~~ notifications must be followed

by a telephone call to the Exchange to confirm that the Form 5 has been received by the Exchange~~confirmed immediately by the filing of a Form 5 — Dividend/Distribution Declaration by TSX SecureFile~~[4].

~~A press release in lieu of a letter will be satisfactory as confirmation of a dividend if received promptly after the original notification of the dividend is given to the Exchange. However, precautions must be taken to ensure that the copy of the release is addressed to the Listed Issuer Services.~~"

d. "**Section 437:** ~~Within 90 days from the end of its last fiscal year,~~ Eevery listed company must forward annually to each shareholder who has requested them its annual financial statements and its management discussion and analysis ("MD&A"), ~~prepared~~ in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* or National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

If a listed company produces an annual report, it must be filed publicly through SEDAR.

One copy of the annual financial statements and MD&A must be filed with TSX, concurrently with the filing~~sending~~ of these materials with the OSC ~~to the shareholders~~. Public filings through SEDAR will satisfy this requirement."

e. "**Section 443:** Every listed company must~~, within 45 days from the end of the period to which the statements relate~~ file with TSX one copy of its interim financial statements and ~~its~~ MD&A concurrently with the filing of these materials with the OSC. Public filings through SEDAR will satisfy this requirement. ~~Interim financial statements that comply with applicable securities laws will satisfy the requirements of TSX.~~"

f. "**Section 458:** Companies with listed non-voting participating shares should refer to Section 624~~Sec. 1.08 in Appendix E~~."

5. Part V – *Special Requirements for Non-Exempt Issuers* is amended as follows:

a. Subsection 501(c) is amended by replacing both cross references to "Section 601" with "Part I".

b. "**Section 501(c)(i):** the proposed transaction to be approved by the board on the recommendation of the ~~unrelated~~ directors who are unrelated to the transaction; and …".

6. Part VI – *Changes in Capital Structure of Listed Issuers* is amended as follows:

a. The terms Ontario Securities Commission and *Securities Act* (Ontario) have been replaced with OSC and OSA respectively, and all definitions in Sections 601 and 624 have been moved to Part I.

b. Subheadings have been added to Section 613 for easier reference.

c. "**Section 613:**

(d) …Should a security based compensation arrangement not provide for the procedure for amending the arrangement, security holder approval will be required for such amendments, as provided for in Subsection 613(a). In addition, votes attaching to any securities held by insiders who hold securities subject to the amendment will be excluded. Please see Subsection (k) for more information.

(k) Security based compensation arrangements cannot be amended without obtaining security holder approval unless the arrangement contains a provision empowering the listed issuer's board of directors (who may delegate this to a committee of the board) to make the specific amendment. Security holder approval is required for the introduction of and subsequent amendments to, such amending provisions. Disclosure provided to security holders voting on amending provisions, and annually, must state that security holder approval will not be required for amendments permitted by the provision."

d. Subsections 615(a), 616(a) and 634(a) are amended by replacing, in each Subsection, the cross reference to "Section 601" with "Section 602".

7. Appendix A is amended by replacing the number 35 with 24 on the first page, in reference to the number of copies of preliminary prospectus' needed.

8. Form 4 – *Personal Information Form* is amended as follows:

"**Question 8B(iv):** had a cease trading order or similar order issued against your or an order issued against you …."

9. The stand-alone Declaration is amended as attached in Schedule 2.

10. Form 11 – *Notice of Private Placement* is amended by replacing the cross reference in Question 3(d) from "as defined in Section 601" with "as defined in Part I".

SCHEDULE 1 TO APPENDIX A:

PART I OF THE MANUAL

PART I
INTRODUCTION

The requirements set by the ~~Toronto Stock~~ Exchange relating to listed companies are a part of a substantial body of law and custom that, over the years, has evolved to ensure a fair and orderly market for listed securities. The ~~Company~~ Manual has been designed to provide a detailed and well-indexed compendium of these requirements.

The Exchange plays an important role in assisting in the recruitment of capital and in the maintenance of an effective secondary market for relatively new enterprises, as well as for established companies. Exchange listings range from junior mining, oil, gas and industrial issues to mature international companies. To accommodate companies with such a diversity of activity and size, while at the same time ensuring that certain basic standards are met, the Exchange maintains listing requirements for the various types of companies which list on the Exchange~~which apply specifically to junior companies, as well as requirements that are for more seasoned companies~~.

Organization of the Manual

In this Manual, for the purposes of clarity and convenience, the Exchange requirements that apply to special cases, such as junior companies, have been clearly separated from the general listing requirements. The Manual also segregates, in one part, all procedures and requirements applying at the time of listing, while requirements for the maintenance of a listing are brought together in other parts of the Manual.

Company executives contemplating the possibility of listing the securities of their company on a stock exchange must inevitably weigh the advantages of such a course of action for the company and its security holders. The Exchange is frequently asked about the benefits to be derived from a listing on the TSX~~oronto Stock Exchange~~. Part of the reply to this question relates to the variety of the scope of services provided by the Exchange and its p~~P~~articipating o~~O~~rganizations. ~~Part II of the Manual provides a summary of the main benefits to be gained from an exchange listing, and this is followed by a brief description of the Toronto Stock Exchange and its Participating Organizations. This information should enable executives to better measure the overall significance of a Toronto Stock Exchange listing for a company, its security holders and the capital markets in general.~~

Part III of the Manual deals with the requirements and procedures relating to a new listing. The remainder of the Manual is concerned with matters with which listed companies need to be familiar in order to maintain their listing on the Exchange.

Special Circumstances

The listing requirements of the Exchange are comprehensive, and relevant to most situations. Yet, because of rapid structural changes in business and the breadth and complexity of the activities of listed companies, circumstances could arise where explicit guidance may not be found in the Manual. In those instances where a particular corporate situation is unique, and where no specific rules relating to such a situation can be found, companies are expected to adhere to the spirit of the Exchange's listing requirements.

Interpretation

In this Manual,

"**affiliates**" has the same meaning as "affiliated companies" as found in the OSA and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

"**associate**" has the same meaning as found in the OSA;

"**board lot**" means 100 securities having a market value of $1.00 per security or greater; 500 securities having a market value of less than $1.00 and not less than 10¢ per security; or 1,000 securities having a market value of less than 10¢ per security;

"**class**" includes a series of a class of shares;

"**Common Securities**" means, for the purposes of Section 624, Residual Equity Securities that are fully franchised, in that the holder of each such security has a right to vote each security in all circumstances calling for a vote under the applicable

corporate or governing legislation, irrespective of the number of securities owned, that is not less, on a per security basis, than the right to vote attaching to any other security of an outstanding class of securities of the listed issuer;

"**company**" has the same meaning as found in the OSA and also includes a trust, partnership or other form of business organization;

"**convertible security**" means a security that, by its terms, is convertible into or exchangeable for listed securities, but does not include warrants or other securities that are exercisable for, or carry a right to purchase or cause the purchase of listed securities for additional consideration;

"**CSA**" means the Canadian Securities Administrators;

"**equity security**" includes a participating share and, except for the purposes of Appendix F, a nonparticipating share;

"**Exchange**" or "**TSX**" means Toronto Stock Exchange;

"**insider**" has the same meaning as found in the OSA and also includes associates and affiliates of the insider; and "issuances to insiders" includes direct and indirect issuances to insiders;

"**IPO**" means an initial public offering;

"**issuer**" means a corporation, company, partnership, limited partnership, trust, income trust or investment trust or any other organized entity issuing securities;

"**listed issuer**" means any issuer having securities listed on TSX;

"**listed security**" or "**listed securities**" means a security or securities listed on TSX;

"**Manual**" means the TSX Company Manual;

"**market price**" means the VWAP on TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date. In certain exceptional circumstances, the five day VWAP may not accurately reflect the securities' current market price, and TSX may adjust the VWAP based on relevant factors including liquidity, trading activity immediately before, during or immediately after the relevant period or any material events, changes or announcements occurring immediately before, during or immediately after the relevant period. Market price is as at the date: (a) provided for in the binding agreement obligating the issuer to issue the securities (either the date of the binding agreement or some future date); or (b) the date the Section 602 notice is received by TSX, requesting price protection. TSX will accept a signed term sheet, engagement letter, letter of intent, agency agreement, underwriting agreement or other similar agreement as the binding agreement. If the listed securities are suspended from trading or have not traded on TSX or another stock exchange for an extended period of time, the market price will be the fair market value of the listed securities as determined by the listed issuer's board of directors;

"**Market Surveillance**" means the Market Surveillance Division of Market Regulation Services Inc.

"**materially affect control**" means the ability of any security holder or combination of security holders acting together to influence the outcome of a vote of security holders, including the ability to block significant transactions. Such an ability will be affected by the circumstances of a particular case, including the presence or absence of other large security holdings, the pattern of voting behaviour by other holders at previous security holder meetings and the distribution of the voting securities. A transaction that results, or could result, in a new holding of more than 20% of the voting securities by one security holder or combination of security holders acting together will be considered to materially affect control, unless the circumstances indicate otherwise. Transactions resulting in a new holding of less than 20% of the voting securities may also materially affect control, depending on the circumstances outlined above;

"**NCIB**" means normal course issuer bid;

"**Non-Voting Securities**" means, for the purposes of Section 624, Restricted Securities which do not carry the right to vote at security holders' meetings except for a right to vote in certain limited circumstances (e.g. to elect a limited number of directors or to vote in circumstances where the applicable corporate legislation provides the right to vote for securities which are otherwise non-voting);

"**OSA**" means the *Securities Act* of the Province of Ontario as amended from time to time, the regulations and policies thereunder and any replacement legislation;

"**OSC**" means the Ontario Securities Commission;

"**participating organization**" means any person granted access to TSX's trading system in accordance with Part 2 of TSX's trading rules provided such access has not been terminated or suspended;

"**participating security**" or "**participating share**" means a security that carries a residual right to participate in the earnings of a company and in its assets upon liquidation or winding up but, unless otherwise stated, does not include a security that only carries such residual right if converted into, or otherwise used to acquire, another security;

"**person**" has the same meaning as found in the OSA;

"**Preference Securities**" means, for the purposes of Section 624, securities to which there is attached a genuine and non-specious preference or right over any class of Residual Equity Securities of the listed issuer;

"**public holder**" of securities of a company means a security holder who is not a director or officer of the company and who does not own or control, directly or indirectly, securities carrying more than 10% of the votes attached to all of the outstanding voting securities of the company;

"**publicly held**" securities means securities held by public holders;

"**related party**" has the same meaning as found in the OSA;

"**Residual Equity Securities**" means, for the purposes of Section 624, securities which have a residual right to share in the earnings of the listed issuer and in its assets upon liquidation or winding up;

"**Restricted Securities**" means, for the purposes of Section 624, Residual Equity Securities which are not Common Securities;

"**Restricted Voting Securities**" means, for the purposes of Section 624, Restricted Securities which carry a right to vote which is subject to some limit or restriction on the number or percentage of securities which may be voted by a person or company or group of persons or companies (except where the restriction or limit is applicable only to persons or companies who are not Canadians or residents of Canada);

"**SecureFile**" means TSX SecureFile, the secure web-based filing system that enables listed issuers to file reporting forms and other documents to TSX;

"**security**" or "**securities**" has the same meaning as found in the OSA, and is used interchangeably with "share" or "shares";

"**share**" has the same meaning as security and also includes an equity interest in a trust, partnership or other form of business organization;

"**Subordinate Voting Securities**" means, for the purposes of Section 624, Restricted Securities, which carry a right to vote at security holders' meetings but another class of securities of the same listed securities carries a greater right to vote, on a per security basis;

"**TSX**" or "**Exchange**" means the Toronto Stock Exchange; and

"**VWAP**" means the volume weighted average trading price of the listed securities, calculated by dividing the total value by the total volume of securities traded for the relevant period. Where appropriate, TSX may exclude internal crosses and certain other special terms trades from the calculation.

SCHEDULE 2 TO APPENDIX A:

STAND-ALONE DECLARATION

DECLARATION

This Declaration Form (the "Declaration") is to be completed only if (i) the individual has submitted a Personal Information Form to Toronto Stock Exchange, a division of TSX Inc. or to TSX Venture Exchange, a division of TSX Venture Exchange Inc. (collectively referred to as the "Exchange") within 36 months preceding the signing of this Declaration and (ii) the information disclosed in that Personal Information Form has not changed. **In all cases, Exhibit 1 - Consent for Disclosure of Criminal Record Information, must be completed.**

Individual's Name (Please Print)	
Declaration is Being Submitted with respect to [legal name of the issuer (the "Issuer")]	
Position with the Issuer	
Date of Birth	**Citizenship**

STATUTORY DECLARATION

I, _____ hereby solemnly declare that:
(Please Print - Name of Individual)

(a) The information contained in the Personal Information Form that was submitted to the Exchange ~~or TSX Venture Exchange~~ with respect to _____ [legal name of Issuer] (the "Issuer") on _____, 20____ [date of PIF] (the "PIF") and any attachments to it, continues to be true and correct, except where stated in the PIF to be to the best of my knowledge, in which case I continue to believe the answers to be true;

(b) I have read and understand the PIF Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of the PIF and collection of information for the sole purposes of securities regulatory authorities ("SRAs") (collectively, the "PIF Collection Policy").

(c) I consent to the collection, use and disclosure of the information in the PIF, and any further information collected, used and disclosed, as set out in the PIF Collection Policy;

(d) I hereby agree to (i) submit to the jurisdiction of the Exchange and to Market Regulation Services Inc. and any successor or assignee of either of them, and wherever applicable, the directors and committees thereof, and (ii) be bound by and comply with all applicable rules, policies, rulings and regulations of the Exchange (collectively, the "Exchange Requirements");

(e) I agree that any acceptance, approval or other right granted by the Exchange may be revoked, terminated or suspended at any time in accordance with the then applicable Exchange Requirements. In the event of any revocation, termination or suspension, I agree to immediately terminate my association or involvement with any issuer to the extent required by the Exchange. I agree not to resume my association or involvement, except with the prior written approval of the Exchange;

(f) This declaration and the rights and powers of the Exchange pursuant to the Exchange Requirements shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles;

(g) I acknowledge and agree that this declaration may be assigned or transferred by the Exchange to any person without providing me with notice or obtaining my consent and that this declaration shall thereafter continue to be binding on me and may be enforced against me by any such assignee or transferee. I understand that I am prohibited from transferring or assigning this declaration or any acceptance, approval or other right granted by the Exchange;

(h) I understand that where I am providing this form to a SRA, I am under the jurisdiction of the SRA to which I submit this form, and it is a breach of securities legislation to provide false or misleading information to the SRA;

(i) I make this solemn declaration conscientiously believing it to be true and knowing it is of the same legal force and effect as if made under oath and under the *Canada Evidence Act*.

_____

Signature of Person Completing this Form

DECLARED before me at the _____ [City/Town] in the Province (or State) of

_____ this ____ day of _____ , _____

(Province or State) (Day) (Month) (Year)

_____ _____

Signature of Notary Public **Seal or Stamp of Notary Public**

My Appointment Expires: _____

***Note: THIS DECLARATION MUST BE DECLARED BEFORE A PERSON WHO IS A NOTARY PUBLIC IN AND FOR THE JURISDICTION IN WHICH IT IS DECLARED UNLESS THAT JURISDICTION DOES NOT HAVE NOTARIES PUBLIC, IN WHICH CASE THIS DECLARATION MUST BE DECLARED BEFORE A LAWYER IN THAT JURISDICTION, OR OTHER PERSON THAT SATISFIES THE REQUIREMENTS SET OUT IN THE CANADA EVIDENCE ACT.**

EXHIBIT 1: CONSENT FOR DISCLOSURE OF CRIMINAL RECORD INFORMATION

PURPOSE: Criminal records are scrutinized by market regulators when conducting background checks, verifying the information the Subject has provided, conducting investigations and enforcement proceedings, and performing other investigations as required to ensure compliance with the various regulations, statutes, rules, by-laws and policies governing the conduct and integrity of the capital markets and trading activity taking place therein.

Surname	**Given Name**	**Middle Name(s)**	*Date of Birth*		
			yyyy	*Mm*	*Dd*
Maiden Name or Other Names used (if applicable)(all legal names in lifetime)			*Gender* ☐ Male ☐ Female		
Current Mailing Address (number, street, apt, lot, concession, township, rural route #, city, postal code)					
Driver's License Number					
Occupation					

CONSENT This consent is given pursuant to all applicable information and privacy statutes.
As evidenced by my signature below, I, the undersigned, hereby acknowledge and provide my express consent to the disclosure by the Ontario Provincial Police (OPP) of records of criminal code convictions for which a pardon has not been granted, records of discharges which have not been removed from the CPIC system in accordance with the Criminal Records Act, and records of outstanding charges which the OPP is aware, to the entities listed below (referred to as "the market regulators") and to the collection, use, disclosure and retention of the OPP-provided information by any one of those market regulators to the other market regulators listed, for the purposes and in the manner set out in this form. This consent relates to Market Regulation Services Inc.; the entities which have retained Market Regulation Services Inc. as their regulation services provider and their authorized personnel; self-regulatory organizations; securities commissions; governmental agencies undertaking criminal or investigative functions; organizations in which any of these are members, affiliates, participants or have a similar capacity; entities which have entered into an agreement with Market Regulation Services Inc. related to the co-ordination or monitoring and enforcement of rules governing the trading of securities on a marketplace in Canada or a market in any other jurisdiction and each of the subsidiaries, affiliates, regulators and authorized agents of any person or entity described herein.

The information will be retained by the market regulators in their databases in a secure environment and is updated from time to time. The market regulators collect, use, disclose and retain the OPP-provided information and allow its use by other market regulators only for purposes set out above or as required by law. Employees of the market regulators who have access to your information are made aware of how to keep it confidential.

FINGERPRINT VERIFICATION

If I deny a criminal record, I may present myself to the appropriate police agency in my jurisdiction for fingerprint verification, as the person with a record will have had fingerprints taken. No other defence is accorded me.

RELEASE

I hereby release and forever discharge Her Majesty the Queen in right of Ontario, the Commissioner of the Ontario Provincial Police and Market Regulation Services Inc. and any or all of their respective members, directors, officers, employees, servants, and agents, including their successors and assigns, from any and all actions, claims and demands for damages, loss or injury howsoever arising which may hereafter be sustained by myself as a result of the disclosure of information by the OPP to Market Regulation Services Inc. or the disclosure by Market Regulation Services Inc. to a market regulator as defined.

_____

Subject Signature:_____ **Date:**_____

INFORMATION CONTACT FOR QUESTIONS PERTAINING TO THE COMPLETION OF EXHIBIT 1:

Name: James Manderville PHONE#: 416-646-7233

Organization: Market Regulation Services Inc. FAX#: 416-646-7259

EXHIBIT 2: PIF PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Inc. and its affiliates, authorized agents, subsidiaries and divisions, including Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as "TSX") collect the information (which may include personal, confidential, non-public, criminal or other information) in the PIF and in other forms that are submitted by you and/or by the Issuer or an entity applying to be an Issuer and use it for the following purposes:

- to conduct background checks,
- to verify the information that has been provided about you,
- to consider your suitability to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of an entity applying to be an Issuer or an Issuer,
- to consider the eligibility of an applicant to be an Issuer,
- to detect and prevent fraud,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with the Exchange Requirements, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.

As part of this process, TSX also collects additional information about you from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The information TSX collects about you may also be disclosed to these agencies and organizations or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above.

TSX may from time to time use third parties to process information and/or provide other administrative services. In this regard, we may share the information with our carefully selected service providers.

If you fail to accurately complete the PIF or to consent to this PIF Collection Policy, we may (i) refuse to allow you to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant of an Issuer, (ii) refuse to allow an applicant to be listed as an Issuer, and/or (iii) refuse to accept a transaction proposed by an Issuer.

Security

The personal information that is retained by TSX is kept in a secure environment and is updated from time to time. Only those employees of TSX who require access to your information in order to accomplish the purposes identified above, will be given access to your file. Employees of TSX who have access to your information are made aware of how to keep it confidential.

Accuracy

Information about you maintained by TSX that is identified by you as inaccurate or obsolete will be replaced or removed, as applicable.

Questions

If you have any questions or enquiries with respect to the privacy principles outlined above or about our practices, please send a written request to: Chief Privacy Officer, TSX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, M5X 1J2.

EXHIBIT 3: Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities

The Alberta and British Columbia Securities Commissions (the "Commissions") collect the personal information in the Personal Information Form and use it in the administration and enforcement of the securities legislation in Alberta and British Columbia governing the conduct and protection of the public markets in Canada (the "provincial securities legislation"). The Commissions do not make any of the information provided in the PIF public under provincial securities legislation.

By submitting this information you consent to the collection by the Commissions of the personal information provided in the PIF, and any other records and information about you from any other source, including, but not limited to, police records, information from other government or non-governmental regulatory authorities, self-regulatory organizations, exchanges, quotation and trade reporting systems, law enforcement agencies, private bodies, agencies, individuals, corporations, and other organizations in any jurisdictions, credit records and employment records as may be necessary for the Commissions to carry out their duties and exercise their powers under provincial securities legislation.

You understand that in carrying out those duties and exercising those powers, the Commissions will use the information in the PIF, and any other information about you from any other source, including those listed above, to conduct background checks, verify the information you have provided, perform investigations and conduct enforcement proceedings as required by and to ensure compliance with provincial securities legislation.

You also understand that the information the Commissions collect about you may also be disclosed to the sources listed above, as permitted by law, and those entities may use it in their own investigations for the purposes described above. The Commissions may also use a third party to process information, but when this happens, the third party will be carefully selected and obligated to comply with the limited use restrictions described above and with provincial and federal privacy legislation.

Warning: It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

Questions

If you have any questions about the collection, use, and disclosure of the information you provide to the Commissions, you may contact the Commissions in the jurisdiction in which the required information is filed, at the address or telephone number listed below.

Information Officer
British Columbia Securities Commission
Telephone: (604) 899-6854
E-mail: inquiries@bcsc.bc.ca

Information Officer
Alberta Securities Commission
Telephone: (403) 297-6454
E-mail: inquiries@seccom.ab.ca

13.1.2 MFDA Announces Change in Venue for the First Appearance in the Matter of Donald Kenneth Coatsworth

NEWS RELEASE
For immediate release

MFDA ANNOUNCES CHANGE IN VENUE
FOR THE FIRST APPEARANCE IN THE MATTER OF
DONALD KENNETH COATSWORTH

December 6, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced a change in the venue for the first appearance in the above matter, which is taking place on Wednesday, December 13, 2006 at 10:00 a.m. (Eastern) or as soon thereafter as can be held, as previously announced.

The first appearance will be held at the St. Andrews Club and Conference Centre, 150 King Street West, 27th Floor, Toronto, Ontario.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website 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 169 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

Chapter 25

Other Information

25.1 Consents

25.1.1 Kit Resources Ltd. - s. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Business Corporations Act, S.B.C. 2002, c. 57.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

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

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

AND

IN THE MATTER OF
KIT RESOURCES LTD.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Kit Resources Ltd. ("Kit") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for Kit to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON Kit having represented to the Commission that:

1. Kit exists under the laws of the Province of Ontario by virtue of its amalgamation with 1395896 Ontario Inc., which was effective as of March 3, 2000.

2. The registered office of Kit is c/o Suite 2100, 40 King Street West, Scotia Plaza, Toronto, Ontario M5H 3C2.

3. Kit's authorized share capital consists of an unlimited number of common shares without par value of which approximately 83,108,550 common shares were issued and outstanding as of November 14, 2006. All of the issued and outstanding common shares of Kit are listed for trading on the TSX Venture Exchange under the symbol "KIT".

4. Kit is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

5. Pursuant to section 181 of the OBCA, Kit proposes to submit to the Director appointed under the OBCA an application (the "Application for Continuance") for authorization to continue (the "Continuance") as a corporation under the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57 (the "BCBCA").

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

7. Kit is not in default under any of the provisions of the Act or the regulations or rules promulgated thereunder.

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

9. Kit intends to remain a reporting issuer under the Act following the Continuance.

10. The continuance of Kit as a corporation under the BCBCA was approved by Kit's shareholders by special resolution at the Annual and Special Meeting of Shareholders held on June 9, 2006 (the "Meeting"). The special resolution authorizing the continuance was approved at the Meeting by more than 66 2/3% of the votes cast.

11. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date of the Meeting were entitled to dissent rights with respect to the proposed continuance ("Dissent Rights").

12. The management information circular of Kit dated April 28, 2006, provided to all shareholders of Kit in connection with the Meeting, advised the holders of common shares of Kit of their Dissent

Rights and included a summary of the differences between the BCBCA and OBCA.

13. The Continuance has been proposed so that Kit may conduct its affairs in accordance with the BCBCA.

14. The material rights, duties and obligations of a corporation incorporated under the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

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

DATED December 8th, 2006.

"Harold P. Hands"
Commissioner
Ontario Securities Commission

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

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