The Ontario Securities Commission

OSC Bulletin

December 22, 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 22, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

SCHEDULED OSC HEARINGS

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
June 14, 2007 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
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

TBA **Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell**

s. 127

J. Waechter 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 Notice of Ministerial Approval of Amendments to NI 21-101 Marketplace Operation, NI 23-101 Trading Rules and Forms 21-101F2 and 21-101F5

NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION NATIONAL INSTRUMENT 23-101 TRADING RULES

AND

FORMS 21-101F2 AND 21-101F5

On December 14, 2006, the Minister of Government Services approved amendments to National Instrument 21-101 *Marketplace Operation*, National Instrument 23-101 *Trading Rules*, and amendments to Forms 21-101F2 and 21-101F5 (together, the "ATS Rules"). The Commission adopted amendments to Companion Policy 21-101CP and Companion Policy 23-101CP (the "Companion Policies") on November 30, 2006.

The amendments to the ATS Rules and the Companion Policies, previously published in the Bulletin on December 15, 2006, will come into force in Ontario on December 29, 2006. They are published in Chapter 5 of the Bulletin.

December 22, 2006

1.1.3 Notice of Omission in Previously Published Materials – Natural Gas Exchange Inc.

NATURAL GAS EXCHANGE INC. (NGX)

APPLICATION FOR INTERIM EXEMPTIVE RELIEF

NOTICE OF OMISSION IN PREVIOUSLY PUBLISHED MATERIALS

The November 24, 2006 OSC Bulletin contained the publication of a Commission order (Order) with respect to NGX. Schedule A to the Order was mistakenly not published at that time. The Order, with Schedule A attached, can be found on the OSC website.

1.1.4 Notice of Commission Approval – Housekeeping Amendment to MFDA By-law No. 1, Section 1 Regarding the Definition of "Control"

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

HOUSEKEEPING AMENDMENT TO MFDA BY-LAW NO. 1, SECTION 1 REGARDING THE DEFINITION OF "CONTROL"

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the amendment to MFDA By-law No. 1, Section 1 regarding the definition of "control". In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendment. The amendment corrects a typographical error and is housekeeping in nature. The description and a copy of the amendment is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.5 Notice of Commission Approval – Housekeeping Amendment to MFDA By-law No. 1, Section 1 Regarding the Preamble to the Definitions

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

HOUSEKEEPING AMENDMENT TO MFDA BY-LAW NO. 1, SECTION 1 REGARDING THE PREAMBLE TO THE DEFINITIONS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the amendment to MFDA By-law No. 1, Section 1 regarding the preamble to the definitions listed in that section. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendment. The amendment corrects the preamble to clarify that the definitions also apply to the MFDA Rules and Policies. The amendment is housekeeping in nature. The description and a copy of the amendment is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.6 Notice of Commission Approval – Housekeeping Amendments to MFDA Rule 1.2.4 Regarding the Currency of Courses

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

HOUSEKEEPING AMENDMENTS TO MFDA RULE 1.2.4 REGARDING THE CURRENCY OF COURSES

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to MFDA By-law No. 1, Section 1 regarding the currency of courses. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendments. The amendments are intended to: (i) clarify the application of MFDA Rule 1.2.4 as a requirement and not as an exemption; and (ii) reflect changes to MFDA procedures and administrative practices. The amendment is housekeeping in nature. The description and a copy of the amendment is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.2 Notices of Hearing

1.2.1 Harry Stinson and Sapphire Tower Development Corp. - ss. 127, 127.1

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

AND

IN THE MATTER OF
HARRY STINSON AND
SAPPHIRE TOWER DEVELOPMENT CORP.

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "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 Commission offices, 20 Queen Street West, 17th Floor, in the Large Hearing Room, Toronto, Ontario commencing on the 20th day of December, 2006 at 2:30 p.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether it is in the public interest for the Commission to approve the settlement agreement entered into between Staff of the Commission and the Respondents.

BY REASON OF the allegations set out in the Statement of Allegations dated December 12, 2006 and such additional allegations as Staff may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel 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 15th 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

**IN THE MATTER OF
HARRY STINSON AND
SAPPHIRE TOWER DEVELOPMENT CORP.**

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

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

The Respondents

1. Sapphire Tower is a Toronto-based real estate development company incorporated pursuant to the laws of Ontario. Sapphire Tower is not registered in any capacity with the Commission nor is it a reporting issuer in Ontario.

2. Stinson is a real estate developer and is an officer, director and the operating mind of Sapphire Tower. Stinson is currently registered with the Commission as the designated compliance officer of Stinson Financial Corporation ("Stinson Financial"), another entity of which Stinson is the operating mind but which was not involved in the conduct described herein.

Sapphire Tower Real Estate Securities

3. From 2002 until 2006 (the "material time"), Stinson and Sapphire Tower were involved in the development of a hotel-condominium project in downtown Toronto (the "Sapphire Tower Project"). During the material time, neither Stinson nor Sapphire Tower was registered with the Commission.

4. In 2003, Stinson and Sapphire Tower began marketing the sale of units in the Sapphire Tower Project (the "Sapphire Tower Units") through the use of sales brochures and other forms of advertising to the public such as Stinson's nightly television advertising program entitled the "Condo Show" which regularly featured the Sapphire Tower Project as an investment opportunity for prospective purchasers.

5. At that time, Sapphire Tower also began to pre-sell Sapphire Tower Units by entering into conditional agreements of purchase and sale and accepting accompanying deposits from purchasers.

6. The Sapphire Tower Units, which offer an investment in real estate together with an opportunity to profit through the purchaser's participation in a rental pool program, are securities pursuant to the Act.

7. In or around October 2004, Sapphire Tower ceased entering into conditional agreements of purchase and sale and ceased accepting deposits for Sapphire Tower Units and instead began to offer prospective purchasers the ability to reserve Sapphire Tower Units. Sapphire Tower continued to do so from October 2004 until March 2005. During that period, Stinson and Sapphire Tower also continued to market the sale of the Sapphire Tower Units through the use of sales brochures and Stinson's condo show.

1 King West Inc.

8. Based on discussions with Corporate Finance Staff in 2004, 1 King West Inc. ("1 King West Inc."), a company with which Stinson was involved and which operated a hotel-condo project similar to the Sapphire Tower Project (the "1 King West Project"), filed an application with the Commission in October 2004 seeking exemptive relief pursuant to subsection 74(1) of the Act.

9. Prior to being contacted by Corporate Finance Staff in 2004, 1 King West had not taken any steps to file for exemptive relief despite the fact that it already sold a number of units in the 1 King West Project.

10. At the time, Stinson did not advise Corporate Finance Staff of the Sapphire Tower Project.

11. Notwithstanding that it should have been clear to Stinson at that point that a project involving the sale of condo-hotel units as part of a rental-pool program was considered to involve the sale of securities under the Act which required compliance with s. 25 and 35 of the Act, Stinson did not proceed with an application for exemptive relief for the Sapphire Tower Units as 1 King West had been required to do.

Improper Trading of Sapphire Tower Securities

12. By the conduct as described in paragraphs 3 to 7 above, Stinson and Sapphire Tower engaged in trading in securities of Sapphire Tower without complying with the registration and prospectus requirements set out in to sections 25 and 35 of the Act or, alternatively, without obtaining an exemption from such requirements pursuant to section 74(1) of the Act.

13. The conduct of Stinson and Sapphire Tower contravened Ontario securities law and was contrary to the public interest.

DATED AT TORONTO this 15th day of December, 2006.

1.3 News Releases

1.3.1 Canadian Regulators Propose Harmonized Prospectus Rule for Market Participants

For Immediate Release
December 21, 2006

CANADIAN REGULATORS PROPOSE
HARMONIZED PROSPECTUS RULE
FOR MARKET PARTICIPANTS

Calgary - The Canadian Securities Administrators (CSA) is seeking comments on proposed National Instrument 41-101 *General Prospectus Requirements*. In an effort to harmonize prospectus requirements across Canada, the proposed rule is aimed at providing market participants, including certain types of investments funds, with a seamless and transparent set of general prospectus requirements.

"The major achievement of this proposal is the consolidation of related prospectus rules and policies into one instrument," said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec). "The harmonization and streamlining of the various jurisdictional requirements under the proposed rule will make it easier for issuers to distribute securities in Canada's financial markets."

Currently, all CSA jurisdictions have similar, but not identical prospectus requirements. Market participants looking to distribute securities in various provinces and territories across Canada have to consider the requirements of each jurisdiction. Consolidating the local requirements into one set of rules for all markets across Canada will reduce transaction costs for issuers that offer securities in multiple markets while maintaining stringent disclosure standards and protecting the rights of investors.

The comment period is open to March 31, 2007. The proposed rule and companion documents are available on several CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Tamera Van Brunt
Alberta Securities Commission
403-297-2664

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Frédéric Alberro
Autorité des marchés financiers
514-940-2176

Jane Gillies
New Brunswick Securities Commission
506 643-7745

Andrew Poon
British Columbia Securities Commission
604-899-6880

Nicholas A. Pittas
Nova Scotia Securities Commission
902-424-6859

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Barbara Shourounis
Saskatchewan Financial Service Commission
306-787-5842

1.4 Notices from the Office of the Secretary

1.4.1 Thomas Hinke

FOR IMMEDIATE RELEASE
December 14, 2006

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

AND

IN THE MATTER OF
THOMAS HINKE

TORONTO – Following a hearing held on December 8, 2006, the Commission issued an Order scheduling the hearing on the merits to commence on February 14, 2007 at 10:00 a.m. on a peremptory basis.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Director, Communications
and Public Affairs
416-593-8120

Carolyn Shaw-Rimmington
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416-593-2361

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

1.4.2 Harry Stinson and Sapphire Tower Development Corp.

FOR IMMEDIATE RELEASE
December 15, 2006

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

AND

IN THE MATTER OF
HARRY STINSON AND
SAPPHIRE TOWER DEVELOPMENT CORP.

TORONTO – The Office of the Secretary issued a Notice of Hearing today scheduling a hearing to consider a Settlement Agreement entered into by Staff of the Commission and the Respondents in the above noted matter.

The hearing is scheduled to be held on Wednesday, December 20, 2006 at 2:30 p.m. in the Large Hearing Room.

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

OFFICE OF THE SECRETARY
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1.4.3 Research In Motion Limited

FOR IMMEDIATE RELEASE
December 20, 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 – The Commission ordered pursuant to section 144 of the Act, that the MCTO shall continue in accordance with its terms, provided that, if the Commission has not received by March 5, 2007 all filings RIM is required to make pursuant to Ontario securities laws, RIM will appear before the Commission with a report on the status of its continuous disclosure obligations.

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

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1.4.4 Peter Sabourin et al.

FOR IMMEDIATE RELEASE
December 20, 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.
ANDCAMDETON TRADING S.A.

TORONTO – The Commission issued an Order today continuing the Temporary Order until June 14, 2007 or until further order of the Commission in the above matter.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Inco Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to provide in an information circular 'prospectus-level' disclosure and disclosure regarding executive compensation and indebtedness of directors and executive officers in connection with a second-step transaction – Disclosure not relevant to decision whether to approve amalgamation transaction – Redeemable preferred shares to be issued pursuant to the amalgamation – Redeemable preferred shares will be redeemed immediately after the completion of the amalgamation – Amalgamation, in substance, a cash transaction.

Applicable Legislative Provisions

National Instrument 51-102 - Continuous Disclosure Obligations, Part 9 and s. 13.1, and Form 51-102F5 - Information Circular, items 8, 10 and 14.2.

November 30, 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
INCO 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**) exempting the Filer from the requirement to include prospectus-level disclosure in respect of Amalco (as defined below), executive compensation disclosure of the Filer and disclosure as to the indebtedness of directors, and executive officers of the Filer, in a management information circular of the Filer (the **Circular**) relating to a special meeting of its shareholders to be held to approve the amalgamation of the Filer with another company in accordance with the Legislation (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation continued under the *Canada Business Corporations Act* (the **CBCA**). The authorized capital of the Filer consists of an unlimited number of common shares (**Common Shares**) and 45 million preferred shares, issuable in series. As at November 3, 2006, there were 223,266,026 Common Shares issued and outstanding and there are no other shares of any class or series outstanding. The Common Shares are listed on the Toronto Stock Exchange under the symbol "N". The Common Shares were de-listed from the New York Stock Exchange on November 17, 2006.

2. The Filer is a reporting issuer or the equivalent thereof in each of the Jurisdictions. The Filer is not, to its knowledge, in default of its reporting issuer obligations under the Legislation.

3. Pursuant to an offer (the **Offer**) made August 14, 2006, as amended by a Notice of Variation and Extension dated September 26, 2006, a Notice of Variation and Extension dated October 13, 2006, and a Notice of Extension and Subsequent Offering Period dated October 24, 2006, CVRD Canada Inc. (**CVRD Canada**), a wholly-owned indirect subsidiary of Companhia Vale do Rio Doce (**CVRD**), offered to purchase all of the

issued and outstanding Common Shares at a price of Cdn.$86.00 per Common Share.

4. CVRD Canada is incorporated under the CBCA. The principal office of CVRD Canada is located at 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada. CVRD Canada was incorporated solely for the purpose of making the Offer and is not a reporting issuer in any Jurisdiction.

5. On October 23, 2006, CVRD Canada acquired, pursuant to the Offer, 174,623,019 Common Shares. During the subsequent offering period that expired on November 3, 2006, CVRD Canada acquired an additional 21,455,257 Common Shares. After giving effect to the transactions referred to above, CVRD Canada beneficially owns 196,078,276 Common Shares, representing approximately 86.57% of the outstanding Common Shares on a fully diluted basis.

6. CVRD Canada has requested that the Filer call a special meeting of shareholders (the **Meeting**) to approve, *inter alia*, the Amalgamation. At the Meeting, the Filer will seek, among other things, the requisite approval of its shareholders in respect of a special resolution to approve the proposed amalgamation (the **Amalgamation**) upon the terms and conditions set forth in an amalgamation agreement between the Filer and Itabira Canada Inc. (**Itabira Canada**), a wholly-owned, indirect subsidiary of CVRD Canada (the **Amalgamation Agreement**), the material terms of which will be described in Circular. The matters to be determined at the Meeting do not relate to the performance or compensation of the officers or directors of the Filer.

7. In connection with the Meeting, the Filer expects to mail, by no later than December 13, 2006, to each holder of Common Shares a notice of the Meeting; a management information circular; a form of proxy; and (iv) a letter of transmittal, which will be prepared in accordance with the CBCA and applicable securities laws.

8. Pursuant to the Amalgamation, among other things, Itabira Canada and the Filer will amalgamate to form Amalco. Holders of Common Shares (other than dissenting shareholders and CVRD Canada and its affiliates) will receive one Class A redeemable preferred share in the capital of Amalco (a **Class A Redeemable Preferred Share**) for each Common Share held immediately prior to the Amalgamation, and Itabira North America Inc. (**Itabira North America**), a wholly-owned, indirect subsidiary of CVRD Canada, will receive all of the common shares in the capital of Amalco. Itabira North America will become the sole holder of common shares of Amalco following the completion of the Amalgamation.

9. Immediately following the effective time of the Amalgamation, each Class A Redeemable Preferred Share will be redeemed by Amalco (the **Redemption**) for a cash amount equal to Cdn.$86.00 per share (the **Redemption Amount**), which is the same consideration paid by CVRD Canada under the Offer. No new certificates evidencing the Class A Redeemable Preferred Shares will be issued to the holders of Common Shares; they will continue to hold their Common Share certificates until exchanged for the aggregate Redemption Amount represented by such certificates as provided for in the Amalgamation Agreement. The Redemption is the final step in the Amalgamation.

10. The Legislation in the Jurisdictions requires that, subject to the Requested Relief being granted, the Circular include the prospectus-level disclosure of Amalco, executive compensation disclosure of the Filer and disclosure as to the indebtedness of directors and executive officers of the Filer.

11. No action is to be taken at the Meeting on any matter involving executive compensation or the indebtedness of directors or executive officers, and neither disclosure as to execution compensation nor disclosure as to indebtedness of directors and executive officers would reasonably be expected to affect a shareholder's decision whether or not to vote in favour of the Amalgamation.

12. The consideration paid by Amalco on the Redemption will be funded directly or indirectly by CVRD Canada or CVRD. CVRD Canada has advised the Filer that it intends to ensure that Amalco will have sufficient funds to pay in full the aggregate Redemption Amount on the Redemption.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Filer complies with all other provisions of the Legislation applicable to the Circular and to the Amalgamation.

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

2.1.2 Hollinger Inc. - MRRS Decision

December 7, 2006

Headnote

MRRS – Application by issuer for relief from certain form and content requirements of the financial statement filing requirements in Canadian securities legislation – issuer currently in default of various financial statement filing requirements, including requirement to file annual comparative financial statements for the financial year ended December 31, 2003 and interim and annual financial statements for subsequent financial periods – issuer unable to prepare financial statements for the year ended December 31, 2003 in accordance with GAAP and accompanied by an auditor's report without reservation – preparation of such statements requires co-operation of principal subsidiary which has been refused – issuer has lost control of principal subsidiary and issuer and principal subsidiary are in litigation – issuer primarily seeking relief from requirement in the legislation that

- the financial statements for its financial year ended December 31, 2003 "be prepared in accordance with Canadian GAAP as applicable to public enterprises"; and
- the financial statements for its financial year ended December 31, 2003 "… be accompanied by an auditor's report that … does not contain a reservation".

Issuer seeking to file annual audited financial statements for the financial year ended December 31, 2003, and make certain other filings, that are not "prepared in accordance with Canadian GAAP as applicable to public enterprises" and "… accompanied by an auditor's report that … does not contain a reservation" – Issuer seeking relief to permit filing on this basis – Issuer acknowledges that the requested relief is requested solely to permit the issuer to make certain filings after the date of the decision that do not meet certain form and content requirements contained in the Legislation, including NI 51-102 and NI 52-107, and is not intended to have retroactive effect – relief granted on the condition that the alternative filings be made within 90 days of the decision – CSA staff consider the circumstances of the issuer and the nature of the application to be highly unusual and consequently do not anticipate that this decision will represent a precedent for other issuers.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 78(1), 80(b)(iii).
National Instrument 51-102 - Continuous Disclosure Obligations, ss 4.1(a), 4.1(b),5.1(1), and Part 13.
National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 3.1(1), 3.2, and Part 9.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, YUKON TERRITORY AND NUNAVUT
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
HOLLINGER 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 the Applicant be exempt from certain requirements of the Legislation, including certain requirements in National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") and National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("**NI 52-107**"), as described below under the heading "Requested Relief".

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Requested Relief

The Applicant has requested the relief set out below (the "**Requested Relief**"):

(a) With respect to the annual financial statements for the 12 months ended December 31, 2003 (the "**December 2003 Financial Statements**"), relief from the requirement in the Legislation and in section 3.1(1) of NI 52-107 that financial statements be prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**") as applicable to public enterprises.

(b) With respect to each of the December 2003 Financial Statements and the annual financial statements for the 12 months ended December 31, 2004 (the "**December 2004 Financial Statements**"), relief from the requirement in the Legislation, if applicable, and in section 3.2(a) of NI 52-107 that financial statements that are required by securities legislation to be audited in accordance with Canadian generally accepted auditing standards ("**GAAS**") must be accompanied by an auditor's report that does not contain a reservation.

(c) With respect to the presentation format of (i) the December 2003 Financial Statements, which will be presented on a stand-alone basis, and (ii) the December 2004 Financial Statements, which will be presented in a multi-columnar format (the "**Multi-Columnar Format**") along with audited annual financial statements for the year ended December 31, 2005 (the "**December 2005 Financial Statements**") and audited annual financial statements for the transition year following a change in year-end consisting of the three months ended March 31, 2006 (the "**March 2006 Financial Statements**" and together with the December 2003 Financial Statements, the December 2004 Financial Statements and the December 2005 Financial Statements, collectively, the "**Historical Annual Financial Statements**"), relief from:

(i) the requirement in the Legislation, if applicable, and in section 4.1(a) and (b) of NI 51-102 that a reporting issuer must file comparative annual financial statements in respect of the most recently completed financial year and the financial year immediately preceding the most recently completed financial year; and

(ii) the requirement in the Legislation, if applicable, and in section 5.1(1) of NI 51-102 that a reporting issuer must file management's discussion and analysis ("**MD&A**") relating to the comparative annual financial statements required under Part 4 of NI 51-102.

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 facts represented by the Applicant set out below.

1. The Applicant is a corporation continuing from an amalgamation under the *Canada Business Corporations Act* (the "**CBCA**"), and its principal and registered office is located at 10 Toronto Street, Toronto, Ontario, M5C 2B7. The Applicant is a reporting issuer (or its equivalent) in each of the provinces and territories of Canada where such status exists and is a foreign private issuer in the United States.

2. The Applicant is a "mutual fund corporation" under the *Income Tax Act* (Canada) and, as a result, is not permitted to own assets (other than equity securities) directly. The Applicant's assets (other than its equity share ownership in its subsidiaries) are owned indirectly through its subsidiaries.

3. The Applicant's principal asset is its interest in Sun-Times Media Group, Inc. (formerly Hollinger International Inc.) ("**Sun-Times**"), a corporation governed by the laws of the State of Delaware. Sun-Times is a newspaper publisher, the assets of which include the Chicago Sun-Times and a large number of community newspapers in the Chicago area. As of July 31, 2006, the Applicant owned, directly or indirectly 782,923 Class A Common shares of Sun-Times (the "**Sun-Times A Shares**") and 14,990,000 Class B Common shares of Sun-Times (the "**Sun-Times B Shares**") (collectively, the "**Sun-Times Shares**"), being approximately 19.7% of the equity and 70.1% of the voting interest in Sun-Times.

4. The authorized capital of the Applicant consists of an unlimited number of retractable common shares (the "**Common Shares**"), an unlimited number of Exchangeable Non-Voting Preference Shares Series I (the "**Series I Preference Shares**"), an unlimited number of Exchangeable Non-Voting Preference Shares Series II (the "**Series II Preference Shares**") and an unlimited number of Retractable Non-Voting Preference Shares Series III (the "**Series III Preference Shares**"). As at June 30, 2006, 34,945,776 Common Shares and 1,701,995 Series II Preference Shares were issued and outstanding and there were no Series I Preference Shares or Series III Preference Shares issued and outstanding. The only voting securities of the Applicant are the Common Shares.

5. The outstanding Common Shares and Series II Preference Shares are listed on the Toronto Stock Exchange under the symbols "HLG.C" and "HLG.PR.B", respectively.

6. Each of the outstanding shares of the Applicant is retractable at the option of the holder. The Common Shares are retractable at any time at the option of the holder at their retraction price (which is fixed from time to time) in exchange for Sun-Times A Shares of equivalent value or, at the Applicant's option, cash of equivalent value. The retraction price is derived from the fair value of the Applicant's assets less its liabilities.

7. On retraction, the Series II Preference Shares are exchangeable into a fixed number of the Applicant's Sun-Times A Shares or, at the Applicant's option, cash of equivalent value.

8. The Applicant has outstanding US$93.0 million aggregate principal amount of Senior Secured Notes (the "**Notes**"). The Notes are guaranteed by, among others, Ravelston Management Inc. ("**RMI**"), a wholly-owned subsidiary of Ravelston Corporation Limited ("**RCL**"). RCL is a holding company that, prior to being placed into receivership, was controlled by Conrad Black. The principal asset of RCL is its direct and indirect interest in the Applicant. In 2005, RCL and RMI were declared to be insolvent and RSM Richter Inc. ("**Richter**") was appointed by the Ontario Court of Justice as receiver of their respective assets. The Notes are secured by, among other things, a first priority lien on 14,990,000 Sun-Times B Shares owned, directly or indirectly, by the Applicant. Under the terms of the Notes, the Applicant is subject to certain restrictive covenants and other obligations.

9. The Applicant is currently prevented from honouring retractions of the Common Shares and the Series II Preference Shares as a consequence of it being in default under the terms of the indentures governing the Notes. As of June 30, 2006, there were retraction notices from holders of 160,373 Common Shares at a retraction price of $9.00 per share and 211 Common Shares at a retraction price of $7.25 per share, which the Applicant is unable to complete at the present time.

10. In its financial statements in respect of periods ending on or before September 30, 2003, the Applicant had accounted for its investment in Sun-Times using the consolidation method as it exercised control over Sun-Times as that term is defined in the Canadian Institute of Chartered Accountants Handbook (the "**CICA Handbook**"). The business and affairs of the Applicant, Sun-Times and their respective subsidiaries were predicated on the fact that, as a majority shareholder of Sun-Times, the Applicant controlled Sun-Times in that it managed, or supervised the management of, the business and affairs of Sun-Times. However, during and following November 2003, certain events occurred that the Applicant submits caused it to cease to control or exercise significant influence over Sun-Times, as those terms are defined in the CICA Handbook. Those events included the following:

    (a) the Applicant no longer had a majority of the nominees forming part of the board of directors of Sun-Times (the "**Sun-Times Board**");

    (b) Sun-Times co-operated in an attempt to obtain an order from a United States court in Chicago affecting the Applicant's right to exercise its ordinary powers as a majority shareholder, including with respect to the composition of the Sun-Times Board;

    (c) substantially all of the powers of the Sun-Times Board were delegated to a committee thereof, of which none of the nominees of the Applicant was a member;

    (d) Sun-Times commenced litigation against the Applicant and the Applicant made certain counterclaims against Sun-Times in respect of matters which continue to be unresolved;

    (e) restrictions were imposed on the Applicant by a United States court order relating to the alienation of its interests in Sun-Times and the alienation of any controlling interest in the Applicant itself;

    (f) the Applicant became unable to exercise certain fundamental rights associated with being a majority voting shareholder of Sun-Times, including amending the by-laws of Sun-Times and supervising the overall strategic, business and operating initiatives of Sun-Times;

    (g) without the consent or involvement of the Applicant or its nominees on the Sun-Times Board, the Sun-Times Board delegated to a committee thereof the authority to review and evaluate Sun-Times' strategic alternatives, including a possible sale of Sun-Times or one or more of its assets;

    (h) the Applicant and its auditors were denied access to the books and records of Sun-Times; and

    (i) the relationship between the Applicant and Sun-Times had deteriorated into one in which there was very little mutual co-operation, assistance or regard to the interests of the Applicant and Sun-Times as a group.

11. Prior to May of 2003, the Sun-Times Board was composed of five inside directors (Lord Black, Lady Black, David F. Radler, Daniel W. Colson and Peter Y. Atkinson) and eight outside directors (Richard Burt, Henry Kissinger, Marie-Josee Kravis, Shmuel Meitar, Richard N. Perle, Alfred Taubman, James R. Thompson and Leslie H. Wexner).

12. In May of 2003, Tweedy, Brown Company, LLC, a public shareholder of Sun-Times, wrote to the Sun-Times Board and demanded that the Sun-Times Board undertake an investigation with respect to certain allegations regarding related party transactions.

13. In May of 2003, three of the outside directors did not stand for re-election and an additional outside director, Gordon Paris, was appointed to the Sun-Times Board, resulting in a total of six remaining outside directors.

14. In June of 2003, the Sun-Times Board established a special committee (the "**Special Committee**") to examine shareholders' allegations and appointed Mr. Paris to be its Chair. In July of 2003, two additional outside independent directors, Graham Savage and Raymond Seitz, were appointed to the Sun-Times Board and made members of the Special Committee.

15. In early November 2003, the Special Committee reported the preliminary results of its investigation to the Sun-Times Board. The Special Committee determined that approximately US$32.15 million in unauthorized payments had been made by Sun-Times to related parties who included Lord Black, Mr. Radler, Mr. Atkinson and J.A. Boultbee. As a consequence of these investigations, the Special Committee of Sun-Times took steps to secure Sun-Times' ability to act autonomously and independently. Sun-Times made a number of demands of Lord Black which led to an agreement that Lord Black entered into with Sun-Times dated November 15, 2003 (the "**Restructuring Proposal**") in which Lord Black agreed, in his capacity as Chairman of Sun-Times, that he would devote his principal time and energy to pursuing a range of alternative strategic transactions that Sun-Times' board of directors intended to pursue (the "**Strategic Process**"). As well, Lord Black agreed, in his capacity as the majority stockholder of the Applicant, that he would not support a transaction involving ownership interests in the Applicant if such transaction would negatively affect Sun-Times' ability to consummate a transaction resulting from the Strategic Process unless it was necessary to enable the Applicant to avoid a material default or insolvency. Lord Black also agreed that a number of personnel changes would be made at Sun-Times including the resignation of a number of the Applicant's nominees from the board of Sun-Times.

16. On November 17, 2003, Lord Black resigned as Sun-Times' Chief Executive Officer. At the same time, Mr. Radler resigned as President and Chief Operating Officer and as a director of Sun-Times and Mr. Atkinson resigned as a director of Sun-Times. In addition, Mark Kipnis resigned as Sun-Times' Vice President and Corporate Counsel and Mr. Boultbee was terminated from his position as Executive Vice-President of Sun-Times. Lord Black, Mr. Radler, Mr. Atkinson and Mr. Boultbee were all nominees of the Applicant at that time.

17. Also, on November 17, 2003, Sun-Times announced the Restructuring Proposal pursuant to which it unilaterally terminated each of the services agreements (the "**Services Agreements**") between RMI and Sun-Times, effective June 1, 2004. Subsequent to December 2003, Sun-Times ceased to make any payments to RMI under the Services Agreements. This termination had an impact on RMI's ability to make its required payments to the Applicant under a support agreement (the "**Support Agreement**") entered into in March of 2003 between RMI and the Applicant in connection with the Applicant's issuance of the Notes. Among other things, the failure of RMI to make the cash payments to the Applicant as required under the Support Agreement resulted in the Applicant being in default under the terms governing the Notes.

18. Sun-Times also announced on November 17, 2003 that, pursuant to the Restructuring Proposal, the Sun-Times Board had retained a financial advisor to review and evaluate the Strategic Process. The Strategic Process was to be under the direction of the newly reconstituted five member executive committee of the Sun-Times Board (the "**Executive Committee**"), of which only one member, Lord Black, was a nominee of the Applicant to the Sun-Times Board. By the end of November 2003, the Applicant ceased to exercise any meaningful control over Sun-Times. Without any input from the Applicant, the Sun-Times Board has approved the dispositions of several of Sun-Times' material assets including the Telegraph Group Limited ("**Telegraph Group**") in July 2004, The Jerusalem Post and its related publications in December 2004 and certain Canadian newspaper operations in December 2005.

19. On December 23, 2003, KPMG LLP ("**KPMG Canada**") resigned as the auditors of the Applicant. KPMG LLP ("**KPMG USA**") continue to serve as the auditors of Sun-Times.

20. On January 16, 2004, a court order was issued by the United States District Court for the Northern District of Illinois in the matter of the *United States Securities and Exchange Commission v. Hollinger International Inc.* (the "**Sun-Times Consent Order**"). The Sun-Times Consent Order provided that, among other things, a special monitor (the "**Special Monitor**") of the Sun-Times Board would be appointed to oversee the activities of the Sun-Times Board in certain circumstances, including in the event that any of the Applicant's nominees were elected to the Sun-Times Board without its endorsement. The Special Monitor's mandate would be to, among other things, protect the

interests of the non-controlling shareholders of Sun-Times to the extent permitted by law.

21. On or about January 16, 2004, Sun-Times commenced an action in the United States District Court for the Northern District of Illinois (Chicago) against the Applicant and others claiming damages in excess of US$200 million in relation to various payments alleged to have been improperly received by the Applicant and others from Sun-Times and others.

22. On January 17, 2004, Lord Black resigned as Chairman of the Sun-Times Board.

23. On January 18, 2004, Lord Black and RCL entered into an agreement with Press Holdings Sun-Times Limited ("**PHIL**") whereby Lord Black, RCL and related parties agreed to sell their shares in the Applicant to PHIL (the "**PHIL Transaction**"). The following related events subsequently transpired:

    (a) On January 20, 2004, the Sun-Times Board adopted resolutions creating a committee of the Sun-Times Board known as the Corporate Review Committee (the "**CRC**"). This committee was composed of all of the members of the Sun-Times Board except the nominees of the Applicant. The CRC was delegated, essentially, all of the strategic powers of the Sun-Times Board.

    (b) On January 23, 2004, the Applicant purported to amend the by-laws of Sun-Times to, among other things, disband the CRC and protect its interests as the majority voting shareholder of Sun-Times.

    (c) On January 25, 2004, notwithstanding the amendments to the by-laws, the CRC caused Sun-Times to adopt a shareholders' rights plan (the "**SRP**") which, among other things, effectively prevented Lord Black and RCL from agreeing to sell their shares in the Applicant to PHIL but deferred the implementation of the SRP until a court of competent jurisdiction could determine whether the CRC remained a valid committee of the Sun-Times Board and had the power to adopt the SRP.

    (d) On January 26, 2004, Sun-Times commenced an action against the Applicant and others in the Court of Chancery of the State of Delaware. By an Order and Judgment entered on March 4, 2004 (the "**Delaware Order**"), Vice-Chancellor Strine ruled in favour of Sun-Times and held, among other things, that the by-law amendments referred to above, were ineffective, that the CRC was duly constituted, that the SRP was permissibly adopted and that the Applicant and others be enjoined from taking any steps to pursue or consummate the PHIL Transaction or any other transaction which would frustrate the Strategic Process.

24. On March 12, 2004, the Applicant's new auditors, Zeifman & Company, LLP ("**Zeifman**" or the "**Auditors**"), wrote to Sun-Times requesting co-operation by Sun-Times management and by Sun-Times' auditors to the extent necessary in order to permit Zeifman to complete an audit of the Applicant. On March 19, 2004, Sun-Times replied to Zeifman essentially denying the co-operation of Sun-Times management. Both KPMG Canada and Sun-Times' auditors, KPMG USA, also refused to allow Zeifman to rely on their past, and in the case of KPMG USA, present and future, audit work.

25. On March 24, 2004, Mr. Colson resigned as deputy chairman and chief executive officer of the Telegraph Group and as chief operating officer of Sun-Times, leaving no associates of Lord Black remaining in the management of Sun-Times.

26. During the first quarter of 2004, Sun-Times commenced the process of providing for its own corporate accounting and reporting functions, including computerized consolidation systems, making such systems distinct and separate from those of the Applicant, RMI and RCL. This included hiring its own staff, leasing its own premises and making offers of employment to certain RMI employees. Sun-Times also commenced the process of discontinuing its previous practice of storing detailed financial information on systems shared with the Applicant and ceased sharing any financial information with the Applicant. During 2004, Sun-Times restricted direct access by the Applicant to the Applicant's systems, historical data and servers, a situation that was partially, but not satisfactorily, remedied in June 2005.

27. In March 2004, the Applicant commenced a pre-filing process with OSC Staff indicating that it had lost control of Sun-Times during 2003 and wished to explore possible accounting alternatives going forward.

28. On June 1, 2004, the OSC issued a Management and Insider Cease Trade Order (the "**Hollinger MCTO**") as a result of the failure of the Applicant in filing, among other things, its annual and first quarter interim financial statements by the required filing dates under applicable Canadian securities laws. The Hollinger MCTO was subsequently varied on March 8, 2005, August 10,

2005, and April 28, 2006. The Hollinger MCTO currently remains in effect. Similar Management and Insider Cease Trade Orders have also been issued by the British Columbia Securities Commission and the Alberta Securities Commission in respect of certain former officers and directors of the Applicant resident in British Columbia and Alberta.

29. In February 2004, Sun-Times commenced an action against the Applicant and others in the Ontario Superior Court of Justice seeking, among other things, the return of documents allegedly the property of Sun-Times. The Applicant and others counterclaimed for, among other things, damages in respect of the failure by Sun-Times to make payments under the Services Agreements.

30. On July 1, 2004, the Applicant filed a complaint in the Delaware Chancery Court seeking to have the court require that Sun-Times submit the sale of its U.K. assets (principally the Telegraph Group) to ratification by its shareholders. On July 29, 2004, the Delaware Chancery Court denied the Applicant's complaint. Sun-Times completed the sale of the Telegraph Group on July 30, 2004.

31. On September 3, 2004, Mr. Justice Colin L. Campbell ordered that an inspector conduct an investigation of the Applicant. On October 27, 2004, Ernst & Young Inc. (the "*Inspector*") was appointed as an inspector pursuant to section 229(1) of the CBCA. In making the appointment, Justice Campbell noted that the efforts of the Applicant had been neither sufficient nor timely in addressing the legitimate concerns raised by the public shareholders of the Applicant regarding related party transactions involving the Applicant, which at that time remained under the indirect control and direction of Lord Black.

32. On November 2, 2004, Lord Black resigned as a director and officer of the Applicant. During that same month the Ontario Superior Court of Justice ordered the removal of Lord Black, Lady Black, Mr. Radler and Mr. Boultbee from the board of directors of the Applicant.

33. On November 15, 2004, the United States Securities and Exchange Commission (the "**SEC**") filed a complaint in the United States District Court for the Northern District of Illinois, Eastern Division against Lord Black, Mr. Radler and the Applicant for certain alleged violations of U.S. securities laws. The SEC seeks declaratory and injunctive relief, disgorgement of amounts improperly paid to defendants, a civil monetary penalty, an order barring Lord Black and Mr. Radler from serving as an officer or director of any issuer required to file reports with the SEC, and a voting trust on Sun-Times shares held by Lord Black and the Applicant.

34. Through to the end of 2004, the Applicant continued discussions with Sun-Times in an attempt to reach an agreement regarding Sun-Times' co-operation with the Applicant and Zeifman to facilitate the preparation of the Applicant's audited financial statements, among other things. These discussions failed to result in any definitive agreement between the parties, as the terms upon which Sun-Times was prepared to offer its cooperation were insufficient to facilitate the preparation of the Applicant's audited financial statements.

35. On March 4, 2005, the Applicant released alternative unaudited financial information as at September 30, 2004 in the form of a consolidated balance sheet ("**CBS**"). The CBS was prepared in accordance with the Applicant's traditional accounting policies with the exception that it had been prepared as though the Applicant had always accounted for its assets and liabilities at their market values.

36. On March 18, 2005, the OSC issued a Notice of Hearing in connection with a hearing (the "**Hearing**") to consider whether, pursuant to sections 127(1) and 127.1 of the *Securities Act* (Ontario), it is in the public interest for the OSC to make certain orders in respect of the Applicant, Lord Black, Mr. Radler, Mr. Boultbee and Mr. Atkinson. The statement of allegations prepared by OSC staff (the "**Statement of Allegations**") includes allegations relating to the failure by the Applicant to file interim statements (and management's discussion and analysis related thereto) for the three-month period ended March 31, 2004 and subsequent interim filing requirements, and failed to file its annual financial statements (and management's discussion and analysis related thereto) and its Annual Information Form ("**AIF**") for the year ended December 31, 2003, contrary to the requirements of Ontario securities law. The Applicant acknowledges that the Requested Relief is intended to be prospective in nature and is without prejudice to the matters to be determined at the Hearing. The Hearing is presently scheduled for June 1, 2007, or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties.

37. On March 21, 23 and 24, 2005, the Commission held a hearing to consider an application by the Applicant under section 144 of the Act for an Order to vary the Hollinger MCTO to permit certain direct or indirect trades of securities of the Applicant that may be required to effect, or that may occur in connection with, the proposed share consolidation going private transaction (the "**Going Private Transaction**") involving the Applicant, as described in the Hollinger Management Proxy Circular dated March 4, 2005 and filed on SEDAR on March 10, 2005. On

March 27, 2005, the OSC released its decision that it was unable to form the opinion that it would not be prejudicial to the public interest to grant the relief sought by the Applicant and others in connection with the Going Private Transaction. As a result, the OSC denied granting the requested relief of varying the Hollinger MCTO and a similar Management and Insider Cease Trade Order made in respect of Sun-Times.

38. On April 20, 2005, Mr. Justice James Farley of the Ontario Superior Court of Justice issued two orders by which RCL and RMI were (i) placed in receivership pursuant to the Courts of Justice Act (Ontario) and (ii) granted protection pursuant to the Companies' Creditors Arrangement Act (Canada) and the Bankruptcy and Insolvency Act (Canada) (collectively, the "**Receivership and CCAA Orders**"). Pursuant to the Receivership and CCAA Orders:

    (a) Richter was appointed receiver and manager of all of the assets and property of RCL and RMI except for certain shares held directly or indirectly by them, including shares of the Applicant and RMI; and

    (b) Richter took possession and control of RCL's common shares and, as a result, Richter, at the time, directly or indirectly exercised control or direction over 16.5% of the Common Shares.

39. On May 18, 2005, Mr. Justice Farley further ordered the Receivership and CCAA Orders be applied to Argus Corporation Limited and five of its subsidiary companies which collectively own, directly or indirectly, 61.8% of the outstanding Common Shares and 3.9% of the Series II Preference Shares. As a result of this further order, Richter exercised control or direction over an aggregate of 78.3% of the Common Shares and 3.9% of the Series II Preference Shares.

40. On July 8, 2005, Justice Campbell of the Ontario Superior Court of Justice approved a consent Order reconstituting the Applicant's board of directors. The consent Order provided for the removal of two of the then remaining four interim directors and the appointment of five new directors. Later that month, the two remaining interim directors resigned from the Applicant's board of directors, and four new directors, namely Stanley Beck, Joseph Wright, Newton Glassman and Randall Benson were appointed to the Applicant's board of directors. Mr. Benson was appointed as the Applicant's Chief Restructuring Officer. The four new directors, together with David Drinkwater and David Rattee, who were appointed in August 2005, formed a new board of directors of the Applicant.

41. On November 14, 2005, the Applicant received the report of the Inspector.

42. Sun-Times called a shareholders' meeting for January 24, 2006 with the selection of the Sun-Times Board scheduled to be voted on at that meeting. The Applicant had previously advised Sun-Times of its desire to obtain representation on the Sun-Times Board proportionate to its equity interest. The Applicant specifically requested that two of its nominees serve on the Sun-Times Board. The slate of proposed new directors issued as part of Sun-Times' proxy statement did not include any nominees of the Applicant. Sun-Times had offered to include one nominee of the Applicant on its board in return for an agreement to restrict the voting rights attached to the Applicant's Sun-Times Shares. The Applicant indicated that this offer was unacceptable.

43. The Applicant nominated two representatives, Messrs. Beck and Benson, to the Sun-Times Board of nine directors. The Applicant's representatives were not endorsed by the Sun-Times Board, and as a result, in accordance with the special court order dated January 16, 2004 issued by a U.S. District Court, the Special Monitor was appointed in January 2006. The Special Monitor's mandate is to, among other things, protect the interests of Sun-Times' non-controlling shareholders to the extent permitted by law. The Applicant supported the slate of other directors proposed by Sun-Times. The two nominees on the Sun-Times Board are not on any committees of the Sun-Times Board.

44. Sun-Times called a further shareholders' meeting for June 13, 2006 with the selection of the Sun-Times Board scheduled to be once again voted on at that meeting. Prior to such meeting, Sun-Times initiated a conversation with the Applicant regarding the Applicant's intention to retain seats on the Sun-Times Board. In those conversations, Sun-Times expressed its belief that no member of the Applicant's board of directors should sit on the Sun-Times Board. The Applicant indicated that it sought to nominate two representatives to the Sun-Times Board. Sun-Times ultimately agreed to include two representatives of the Applicant on its slate of nominees so long as they were Messrs. Beck and Benson, and not new nominees of the Applicant.

45. On June 13, 2006, Messrs. Beck and Benson were re-elected as directors of Sun-Times. Following their election, Sun-Times reasserted its view that neither Mr. Beck nor Mr. Benson was independent. Each of them continued not to serve on any committee of the Sun-Times Board.

46. On July 6, 2006, the Applicant filed a counterclaim against Sun-Times in the United States District Court for the Northern District of Illinois, Eastern

Division. The Applicant is seeking a judgment against Sun-Times, and compensatory and punitive damages to be determined at trial, for: (a) fraud in connection with the transfer of The Daily Telegraph in 1995 and several Canadian newspapers in 1997 from the Applicant to Sun-Times; (b) conspiracy to defraud the Applicant; (c) unjust enrichment by Sun-Times in its acquisition of assets from the Applicant; (d) unlawful interference with the economic interests of the Applicant; (e) aiding and abetting in fraud against the Applicant; and (f) aiding and abetting a breach of fiduciary duty against the Applicant.

47. At a meeting on July 7, 2006, the Applicant's board of directors determined that it was no longer appropriate for Messrs. Beck and Benson to serve on the Sun-Times Board, as a result of the counterclaim filed by the Applicant against Sun-Times described above. On July 13, 2006, Messrs. Beck and Benson resigned from the Sun-Times Board. As a result of these resignations, the Applicant currently has no nominees serving as directors on the Sun-Times Board.

48. Following the loss of control and significant influence by the Applicant over Sun-Times during November of 2003, the Applicant's investment in Sun-Times becomes subject to the cost method and, under the transitional provisions of certain new accounting standards (the "**New Standards**"), the fair value method as of January 1, 2004. The Applicant proposes to file financial statements by electing to account for its investment in Sun-Times on the fair value method in accordance with the transitional provisions of the New Standards commencing January 1, 2004. The New Standards are comprised of the following CICA Handbook sections:

(a) Section 3051: Investments;

(b) Section 1530: Comprehensive income;

(c) Section 3855: Financial instruments — recognition and measurement; and

(d) Section 1590: Subsidiaries (amended to reflect impact of the New Standards).

49. The Applicant has not filed any financial statements, MD&A or certifications by its chief executive officer or chief financial officer of its financial statements, as applicable, since its interim financial statements for the nine months ended September 30, 2003. The Applicant has not filed an annual information form in respect of any financial year subsequent to the financial year ended December 31, 2002.

50. The Applicant is not in default of its obligations under Part 9 of NI 51-102 in respect of the filing of management proxy materials.

51. The Applicant has filed a Form 13-502F1 and paid the related fees under OSC Rule 13-502 – *Payment of Fees* ("**OSC Rule 13-502**") for each financial year ended on or after December 31, 2003 and, accordingly, is no longer in default of its obligations under Part 2 of OSC Rule 13-502.

52. On April 18, 2006, the Applicant filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") a notice dated March 31, 2006 pursuant to section 4.8 of NI 51-102 announcing its decision to change the Applicant's financial year-end from December 31 to March 31. On March 31, 2006, the Applicant submitted a request to Canada Revenue Agency to approve the change of financial year-end.

53. As set out in the notice, the Applicant sought to change its financial year-end as it proposed to cease reporting its financial results on a consolidated basis with those of Sun-Times and instead present its investment in Sun-Times on a fair value basis. As a result of this change, it would no longer be necessary for the Applicant to have the same year-end as Sun-Times. A change to March 31 would facilitate enhanced discussion and analysis of its investment in Sun-Times.

54. The notice set out the information prescribed by section 4.8 of NI 51-102, including details regarding the financial statements intended to be filed by the Applicant in respect of its old financial year, its transition year and its new financial year.

Proposed Filings

55. The Applicant proposes to file the following documents (the "**Proposed Filings**"):

(a) December 2003 Financial Statements will be presented on a stand-alone basis, together with the relevant MD&A on Form 51-102F1. The December 2003 Financial Statements will reflect, solely with respect to the Applicant's investment in Sun-Times, the fair value basis in accordance with the New Standards, notwithstanding that the New Standards were not effective for that period. GAAP would require that the December 2003 Financial Statements consolidate the results of Sun-Times up to the date on which the Applicant ceased to exercise control or significant influence over Sun-Times and thereafter on a cost basis. The December 2003 Financial Statements will be prepared in accordance with GAAP in all other respects. The December 2003 Financial Statements will be audited in accordance with Canadian GAAS and will be accompanied by an auditor's report that contains an adverse opinion due to the

nature of the GAAP departure described above. Although the December 2003 Financial Statements will not be prepared in accordance with GAAP, they will present the same level of disclosure about the Applicant as for subsequent years when the Applicant's investment in Sun-Times may be accounted for on a fair value basis in accordance with the New Standards.

(b) The Auditors will, however, undertake specified procedures in respect of the December 2003 Financial Statements in accordance with section 9100 of the CICA Handbook. The Applicant will provide a copy of the specified procedures report in respect of the December 2003 Financial Statements in accordance with section 9100 of the CICA Handbook to the Decision Makers within 90 days of the issuance of this decision.

(c) Audited December 2004 Financial Statements will reflect the adoption of the New Standards effective January 1, 2004 and be presented in the Multi-Columnar Format. The audit report on the December 2004 Financial Statements will be qualified with respect to the adjustment to retained earnings at January 1, 2004 reflecting the change in the Applicant's investment in Sun-Times from its carrying value (under consolidation up to the date on which the Applicant ceased to exercise control or significant influence over Sun-Times) to its fair value under the New Standards.

(d) The certification required by section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**MI 52-109**") will be filed on Form 52-109FT1 in respect of the December 2004 Financial Statements.

(e) Audited December 2005 Financial Statements will be presented as part of, and comparative to, the December 2004 Financial Statements in the Multi-Columnar Format. The audit report on the December 2005 Financial Statements will be unqualified. For the purpose of the requirements of section 4.8 of NI 51-102, the 12 months ended December 31, 2005 will constitute the Applicant's "old financial year".

(f) The certification required by section 2.1 of MI 52-109 will be filed on Form 52-109F1, as modified by section 5.2(1) of MI 52-109, in respect of the December 2005 Financial Statements.

(g) Audited March 2006 Financial Statements will be presented as part of, and comparative to, the financial statements for the 12 months ended December 31, 2005 in the Multi-Columnar Format. The audit report on the March 2006 Financial Statements will be unqualified, as will the audit report on the comparative December 2005 Financial Statements. For the purpose of the requirements of section 4.8 of NI 51-102, the financial year consisting of the three months ended March 31, 2006 will constitute the Applicant's "transition year" and the financial year ended March 31, 2007 will constitute the Applicant's "new financial year".

(h) The certification required by section 2.1 of MI 52-109 will be filed on Form 52-109F1, as modified by section 5.2(1) of MI 52-109, in respect of the March 2006 Financial Statements.

(i) MD&A relating to each of the December 2004 Financial Statements, the December 2005 Financial Statements and the March 2006 Financial Statements will be prepared in respect of such audited financial statements on a comparative basis, in a manner consistent with the Multi-Columnar Format, and will otherwise be prepared in accordance with Form 51-102F1.

(j) Unaudited interim financial statements for each of the interim periods ending after March 31, 2006 (the "**Interim Financial Statements**") will be prepared and presented in accordance with NI 51-102 and NI 52-107, together with the relevant MD&A on Form 51-102F1.

(k) The certification required by section 2.1 of MI 52-109 will be filed on Form 52-109F2 in respect of the Interim Financial Statements.

(l) Annual information forms for the financial year ended December 31, 2005 and for the financial year consisting of the three months ended March 31, 2006 will be presented on Form 51-102F2. The annual information forms will include the disclosure required by Item 18 (Additional Disclosure for Companies Not Sending Information Circulars) of Form 51-102F2, in light of the fact that the Applicant has not been required to send a Form 51-102F5 to its shareholders as of yet.

(m) An amended notice will be filed pursuant to section 4.8 of NI 51-102 that will replace and supersede in its entirety the notice dated March 31, 2006 previously filed on SEDAR by the Applicant. The amended notice will contain the information prescribed by section 4.8 of NI 51-102 and reflect the information set out in this Order, including the Applicant's: (a) old financial year will be the 12 months ended December 31, 2005; (b) transitional year will be the three months ended March 31, 2006; and (c) new financial year will be the 12 months ended March 31, 2007.

56. The Applicant will use the Multi-Columnar Format to present the March 2006 Financial Statements, the December 2005 Financial Statements and the December 2004 Financial Statements. This will make the process less duplicative and more efficient given the Applicant's limited resources and will enable readers to access all of the relevant financial information in one place. In addition to presenting these financial statements in the Multi-Columnar Format, the Applicant will prepare and file separately (i) the December 2003 Financial Statements on a stand-alone basis, and (ii) the Interim Financial Statements (with comparatives for the corresponding interim periods during 2005, except for the balance sheet which will be presented comparative to the audited balance sheet as at March 31, 2006).

Need for relief

57. The Applicant believes that it is unable to prepare the December 2003 Financial Statements in accordance with GAAP or have the December 2003 Financial Statements or the December 2004 Financial Statements audited in accordance with GAAS and accompanied by an auditor's report that does not contain a reservation since to prepare and audit the financial statements in accordance with the requirements requires that the Applicant and its auditors to have co-operation by Sun-Times management and by Sun-Times' auditors. The co-operation has been refused. Relief is needed because the Proposed Filings do not comply with certain form and content requirements contained in the Legislation, including requirements contained in NI 51-102 and NI 52-107.

Prospective nature of the relief

58. The Applicant acknowledges that the Requested Relief is intended to be prospective in nature and is requested solely to permit the Applicant to make certain filings after the date of the decision that do not meet certain form and content requirements contained in the Legislation, including NI 51-102 and NI 52-107. The Requested Relief will not, if granted, have retroactive effect or alter the default status of the Applicant for the period preceding the date the Applicant makes the Proposed Filings in accordance with this decision.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Applicant makes the Proposed Filings with each of the Decision Makers within 90 days of the issuance of this decision.

"Susan Wolburgh Jenah"
Vice-Chair
Ontario Securities Commission

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Kelly Gorman"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.3 TD Asset Management Inc. - MRRS Decision

Headnote

MRRS – Relief granted from multi-layering prohibition to permit mutual funds to invest in securities of a two-tier fund structure that invests more than 10% of the market value of its net assets in another specified underlying fund – Two-tier fund structure having investment objective that is substantially the same as that of the specified underlying fund, except that two-tier fund's objective includes seeking to eliminate substantially its foreign currency exposure through the use of derivative contracts – National Instrument 81-102 Mutual Funds, paragraph 2.5(2)(b).

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5, 2.5(2)(b), 19.1.

December 11, 2006

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

AND

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC. (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer on behalf of the mutual funds listed in Schedule A and other mutual funds that are or will be managed by the Filer (collectively, the Portfolios) for a decision under the securities legislation of the Jurisdictions (the Legislation) granting an exemption from the requirement in paragraph 2.5(2)(b) of National Instrument 81-102 *Mutual Funds* (NI 81-102) which prohibits a mutual fund from investing in another mutual fund if the other mutual fund holds more than 10% of the market value of its net assets in securities of other mutual funds (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Ontario and has its head office in Toronto, Ontario. The Filer is or will be the trustee and manager of the Portfolios.

2. The Portfolios are or will be open-end mutual funds established under the laws of Ontario.

3. The Portfolios are or will be reporting issuers under the securities laws of each of the Jurisdictions. None of the currently existing Portfolios is in default of any requirements of applicable securities legislation.

4. To achieve their respective investment objectives, the Portfolios invest primarily in securities of other mutual funds, which may include mutual funds managed by the Filer. The Portfolios may have exposure to foreign securities to an extent that will vary from time to time and may be up to 100% of the net assets of a Portfolio at the time that such exposure to foreign securities is obtained.

5. The Filer would like the flexibility to hedge away some or all of the foreign currency exposure in the Portfolios, particularly where those Portfolios increase their foreign property exposure. The Filer proposes that an efficient and cost effective way to accomplish this would be to have the Portfolios invest in units of one or more of the TD Currency Neutral Funds (defined below).

6. A TD Currency Neutral Fund, as referenced in this decision, is or will be a TD mutual fund whose:

   a) investment objective includes seeking to eliminate substantially its foreign currency exposure; and

   b) investment strategy is to seek to achieve its investment objective primarily through investing in units of a specified underlying fund (the Underlying Fund) managed by the Filer and using derivative contracts, on an ongoing basis,

to hedge substantially its foreign currency exposure.

7. The investment objectives of a TD Currency Neutral Fund and the applicable Underlying Fund are substantially the same, except that the objective of the TD Currency Neutral Fund includes the objective of seeking to eliminate substantially the TD Currency Neutral Fund's foreign currency exposure.

8. Each TD Currency Neutral Fund is or, in the case of such funds created or reorganized after the date hereof, will be, an open-end mutual fund established under the laws of Ontario and a reporting issuer under the securities laws of each of the Jurisdictions. None of the currently existing TD Currency Neutral Funds is in default of any requirements of applicable securities legislation.

9. The TD Currency Neutral Funds are attractive investments for the Portfolios because effectively they offer investors the opportunity to invest in a foreign equity market without having to separately manage and hedge continuously their currency exposure to that market. The TD Currency Neutral Funds are able to efficiently hedge their varying foreign currency exposure on a much more efficient and cost effective basis than individual investors.

10. Each Underlying Fund is an open-end mutual fund established under the laws of Ontario and is a reporting issuer under the securities laws of each of the Jurisdictions. None of the Underlying Funds is in default of any requirements of applicable securities legislation.

11. An investment by the Portfolios in units of the TD Currency Neutral Funds will in each case be made in accordance with the provisions of section 2.5 of NI 81-102, except for the requirement in paragraph 2.5(2)(b) that a fund not invest in another fund if the other fund holds more than 10% of the market value of its net assets in securities of other mutual funds.

12. A Portfolio's investment in units of the TD Currency Neutral Funds will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Portfolio.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted to the Portfolios in connection with their proposed investments in securities of the TD Currency Neutral Funds, provided such investments are made in compliance with each provision of section 2.5 of NI 81-102, except for paragraph 2.5(2)(b).

"Leslie Byberg"
Manager, Investment Funds Branch

Schedule A

TD Managed Assets Program Portfolios Mutual Funds

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
TD Fundsmart Managed Income Portfolio
TD Fundsmart Managed Income & Moderate Growth Portfolio
TD Fundsmart Managed Balanced Growth Portfolio
TD Fundsmart Managed Aggressive Growth Portfolio
TD Fundsmart Managed Maximum Equity Growth Portfolio
TD Managed Index Income Portfolio
TD Managed Index Income & Moderate Growth Portfolio
TD Managed Index Balanced Growth Portfolio
TD Managed Index Aggressive Growth Portfolio
TD Managed Index Maximum Equity Growth Portfolio

2.1.4 TD Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Top funds proposing to invest in securities of a two-tier fund structure under common management – Two-tier fund achieving its investment objective primarily through investment in an underlying fund and through the use of derivative contracts to hedge substantially its foreign currency exposure – Top fund may, either alone or together with other related mutual funds, become substantial security holder of two-tier fund – Substantial security holder of manager of top fund may make a seed capital investment in two-tier fund which would represent a significant interest in that fund – Top funds exempted from mutual fund conflict of interest investment restrictions – Manager of top funds exempted from mutual fund conflict of interest reporting requirements – Securities Act (Ontario).

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c)(ii), 111(3), 113, 117(1)(a), 117(1)(d), 117(2).

Rules Cited

National Instrument 81-102 Mutual Funds, ss. 2.5, 2.5(2)(b), 2.5(7).

December 13, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, 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
TD ASSET MANAGEMENT INC.
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer, on its behalf and on behalf of the mutual funds listed in Schedule A and other mutual funds that are or will be managed by the Filer (collectively, the Portfolios), for a decision under the securities

legislation of the Jurisdictions (the Legislation) granting the following relief (the Requested Relief) in respect of investments by the Portfolios in the TD Currency Neutral Funds (defined herein):

(a) an exemption from the restriction prohibiting a mutual fund from knowingly making or holding an investment:

(i) in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; or

(ii) in an issuer in which any person or company who is a substantial security holder of the mutual fund, its management company or its distribution company has a significant interest (together with paragraph (i) above, the Mutual Fund Conflict of Interest Investment Restrictions); and

(b) an exemption from the requirement that a management company file a report relating to a purchase or sale of securities between the mutual fund and any related person or company or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies (the Mutual Fund Conflict of Interest Reporting Requirements).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Ontario and has its head office in Toronto, Ontario. The Filer is or will be the trustee and manager of the Portfolios.

2. The Portfolios are or will be open-end mutual funds established under the laws of Ontario.

3. The Portfolios are or will be reporting issuers under the securities laws of each of the Jurisdictions. None of the currently existing Portfolios is in default of any requirements of applicable securities legislation.

4. To achieve their respective investment objectives, the Portfolios invest primarily in securities of other mutual funds, which may include mutual funds managed by the Filer. The Portfolios may have exposure to foreign securities to an extent that will vary from time to time and may be up to 100% of the net assets of a Portfolio at the time that such exposure to foreign securities is obtained.

5. The Filer would like the flexibility to hedge away some or all of the foreign currency exposure in the Portfolios, particularly where those Portfolios increase their foreign property exposure. The Filer proposes that an efficient and cost effective way to accomplish this would be to have the Portfolios invest in units of one or more of the TD Currency Neutral Funds.

6. A TD Currency Neutral Fund, as referenced in this decision, is or will be a TD mutual fund whose:

(a) investment objective includes seeking to eliminate substantially its foreign currency exposure; and

(b) investment strategy is to seek to achieve its investment objective primarily through investing in units of a specified underlying fund (the Underlying Fund) managed by the Filer and using derivative contracts, on an ongoing basis, to hedge substantially its foreign currency exposure.

7. The investment objectives of a TD Currency Neutral Fund and the applicable Underlying Fund are substantially the same, except that the objective of the TD Currency Neutral Fund includes the objective of seeking to eliminate substantially the fund's foreign currency exposure.

8. Each TD Currency Neutral Fund is or, in the case of such funds created or reorganized after the date hereof, will be, an open-end mutual fund established under the laws of Ontario and a reporting issuer under the securities laws of each of the Jurisdictions. None of the currently existing TD Currency Neutral Funds is in default of any requirements of applicable securities legislation.

9. An investment by the Portfolios in units of the TD Currency Neutral Funds will in each case be made in accordance with the provisions of section 2.5 of National Instrument 81-102 Mutual Funds (NI 81-102), except for the requirement in paragraph 2.5(2)(b) that a fund not invest in another fund if the other fund holds more than 10% of the market

value of its net assets in securities of other mutual funds.

10. If the proposed investment by the Portfolios were made in accordance with each of the provisions of section 2.5 of NI 81-102, the Requested Relief would not be required as subsection 2.5(7) of NI 81-102 provides relief from the Mutual Fund Conflict of Interest Investment Restrictions and the Mutual Fund Conflict of Interest Reporting Requirements to a mutual fund which purchases or holds securities of another mutual fund if the purchase or holding is made in accordance with section 2.5 of NI 81-102.

11. In the absence of an exemption from the Mutual Fund Conflict of Interest Investment Restrictions, a Portfolio would be prohibited from knowingly making or holding an investment in a TD Currency Neutral Fund if the Portfolio, alone or together with one or more related mutual funds, is a substantial security holder of the TD Currency Neutral Fund.

12. The Toronto-Dominion Bank (TD Bank) may at times have a seed capital investment in a TD Currency Neutral Fund which would represent a significant interest in that fund. As TD Bank is a substantial securityholder of the Filer which is the manager of the Portfolios, the Mutual Fund Conflict of Interest Investment Restrictions would further prohibit a Portfolio from investing in a TD Currency Neutral Fund at a time where the TD Bank would hold a significant interest in that fund.

13. In the absence of an exemption from the Mutual Fund Conflict of Interest Reporting Requirements, the Filer would be required to file a report for every transaction by a Portfolio involving units of a TD Currency Neutral Fund and every transaction in which, by arrangement, any of the Portfolios or the TD Currency Neutral Funds are acting as joint participants.

14. A Portfolio's investment in units of the TD Currency Neutral Funds will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Portfolio.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that a Portfolio's investment in units of the TD Currency Neutral Funds be made in compliance with each provision of section 2.5 of NI 81-102, except for paragraph 2.5(2)(b).

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

Schedule A

TD Managed Income Portfolio
TD Managed Income & Moderate Growth Portfolio
TD Managed Balanced Growth Portfolio
TD Managed Aggressive Growth Portfolio
TD Managed Maximum Equity Growth Portfolio
TD Fundsmart Managed Income Portfolio
TD Fundsmart Managed Income & Moderate Growth Portfolio
TD Fundsmart Managed Balanced Growth Portfolio
TD Fundsmart Managed Aggressive Growth Portfolio
TD Fundsmart Managed Maximum Equity Growth Portfolio
TD Managed Index Income Portfolio
TD Managed Index Income & Moderate Growth Portfolio
TD Managed Index Balanced Growth Portfolio
TD Managed Index Aggressive Growth Portfolio
TD Managed Index Maximum Equity Growth Portfolio

2.1.5 GrowthWorks Canadian Fund Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 81-106, s.17.1 - Continuous Disclosure Requirements for Investment Funds - A fund wants relief from subsection 9.2 of NI 81-106 that requires a fund that does not have a current prospectus as at its financial year end to prepare an annual information form - The fund is a labour-sponsored or venture capital fund with multiple classes or series of shares; the information that NI 81-106 would require the fund to include in an AIF for a class or series that is no longer in distribution is included in the current prospectus for the classes or series that the fund is still distributing; the fund will post a notice on SEDAR about the exemption and will provide a copy of the current prospectus to any holder of the discontinued class or series who requests a copy.

Applicable Legislative Provisions

National Instrument 81-106, ss. 9.2, 17.1.

November 23, 2006

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

AND

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

AND

IN THE MATTER OF
GROWTHWORKS CANADIAN FUND LTD. (the Fund)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Makers) in each of the Jurisdictions has received an application from the Fund for a decision under section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), that the Fund be exempt from the requirement in sections 9.2 and 9.3 of NI 81-106 to prepare and file an annual information form (AIF) for the Merger Shares, the FOF Merger Shares and any Future Merger Shares (as defined

below) for the financial year ended August 31, 2006 and all subsequent financial years (the Requested Relief).

Under the Mutual Reliance Review System (MMRS) for Exemptive Relief Applications:

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

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

Representations

2. This decision is based on the following facts represented by the Fund:

1. the Fund is incorporated under the Canada Business Corporation Act;

2. the Fund is a registered labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario); the Fund is also a labour-sponsored venture capital corporation registered under the *Income Tax Act* (Canada); the Fund is an approved fund under the *Labour-sponsored Venture Capital Corporations Act (*Saskatchewan); the Fund's investment objectives and redemptions are affected by provisions under this legislation (together, the RVC Legislation);

3. GrowthWorks WV Management Ltd. is the manager of the Fund; the head office of the manager is in Toronto, Ontario;

4. the Fund invests in small and medium sized businesses with the objective of obtaining long term capital appreciation; as the Fund is a labour-sponsored investment fund that offers its shares under a prospectus to retail investors (also known as a retail venture capital fund or RVC), its investment objectives and restrictions are governed by the RVC Legislation;

5. the Fund is an investment fund in the Jurisdictions for the purposes of NI 81-106; the Fund is deemed to be a mutual fund in all of the Jurisdictions;

6. effective November 29, 2005, the Fund completed a merger (the Merger Transaction) involving the acquisition of assets of Capital Alliance Ventures Inc. (CAVI), Canadian Science and Technology Growth Fund Inc. (CSTGF) and GrowthWorks Opportunity Fund Ltd. (GWOF);

7. pursuant to the terms of the Merger Transaction, the Fund created two new series of Class A shares in its capital which it issued to former shareholders of CSTGF and CAVI, named the "CSTGF series" and the "CAVI series", respectively (the Merger Shares);

8. effective July 14, 2006, the Fund completed a merger (the FOF Merger Transaction) involving the acquisition of assets of First Ontario Labour Sponsored Investment Fund Ltd. (FOF); as part of the FOF Merger Transaction, the Fund created two new series of Class A shares in its capital which it issued to former shareholders of FOF, named the "FOF Traditional Shares" and the "FOF Growth Shares", respectively (the FOF Merger Shares);

9. the authorized capital of the Fund is as follows:

(a) an unlimited number of Class A shares issuable in series, which are widely held, of which there are currently 17 series issued, including the four series comprising the Merger Shares and the FOF Merger Shares and the single series of GWCF Historical Shares referred to below;

(b) 1,000 Class B shares which are held by the sponsor of the Fund; and

(c) an unlimited number of Class C shares issuable in series of which there is one series issued designated as "IPA shares" which are issuable to the manager of the Fund to provide a participating interest, termed an "incentive participation amount" based on realized gains and the cumulative performance of the Fund on venture investments made by the Fund.

10. the Fund currently offers 12 series of the Class A shares, namely Venture/Balanced Commission I and II, Venture/Growth Commission I and II, Venture/Income Commission I and II, Venture/Financial Services Commission I and II, Venture/-Resource Commission I and II and

Venture/Diversified Commission I and II, under a prospectus dated December 5, 2005, as amended (the Current Prospectus);

11. on December 29, 2005, the Decision Makers issued a decision under the MRRS for Exemptive Relief in respect of certain shares (referred to in such decision as the GWCF Historical Shares), exempting such shares of the Fund from the requirement to file an annual information form in accordance with sections 9.2 and 9.3 of NI 81-106 under the terms and conditions set out in such decision;

12. the Merger Transaction and the FOF Merger Transaction were approved by applicable securities regulators pursuant to clause 5.5(1)(b)A of National Instrument 81-102 *Mutual Funds* (NI 81-102);

13. the Merger Shares and the FOF Merger Shares were issued pursuant to the terms of the Merger Transaction and the FOF Merger Transaction, respectively, not pursuant to the terms of the Current Prospectus or any other prospectus of the Fund, and were created and issued to reflect an allocation of risks and certain fees and charges associated with each of the Merger Transaction and the FOF Merger Transaction; shareholders of the Merged Funds and of FOF did, however, receive prospectus-level disclosure about the Fund and the Merger Shares or the FOF Merger Shares (as applicable) in the shareholder meeting materials provided to them in connection with the merger approval process;

14. the Merger Shares and the FOF Merger Shares share in the same majority common venture portfolio as the currently offered series of Class A shares of the Fund, and invest their non-venture funds in the same manner as existing series in the capital of the Fund, as follows:

Name of Series of Merger Shares and FOF Merger Shares	**Venture Portfolio**	**Non-Venture Portfolio Investment Focus**
CAVI series	Common to all series of shares	GWCF Historical Shares
CSTGF series	Common to all series of shares	GWCF Historical Shares
FOF Traditional series	Common to all series of shares	GWCF Historical Shares
FOF Growth series	Common to all series of shares	Venture/Growth Commission I Series shares

15. under section 1.3(1) of NI 81-106, each class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for the purposes of NI 81-106; section 9.2 of NI 81-106 requires an investment fund that does not have a current prospectus as at its financial year end to file an AIF;

16. the financial year end of the Fund is August 31; therefore, without the requested relief, the Fund would be required to file an AIF for the Merger Shares and the FOF Merger Shares by November 29, 2006 (which is 90 days after its most recently financial year end);

17. the Merger Shares and the FOF Merger Shares have rights and restrictions which are substantially similar to those of the other series of Class A shares of the Fund, although they do not currently have any other designated shares in the capital of the Fund that they may switch into;

18. the Current Prospectus contains substantially the same disclosure concerning the Merger Shares as required by the provisions of NI 81-106 in respect of an annual information form; in its final renewal long form prospectus to be filed in 2006, the Fund will include substantially the same disclosure concerning the FOF Merger Shares as is required by NI 81-106 through the filing of an annual information form;

19. the Fund has examined and continues to examine the portfolios of other venture capital funds to identify possible merger candidates, which may result in future

mergers with other venture capital funds subject to obtaining the necessary regulatory and shareholder approvals; as part of any such future merger transactions, the Fund may issue new series of Class A shares (Future Merger Shares) to former shareholders of such other venture capital funds to reflect the allocation of risks and certain fees and charges associated with any such merger transaction; and

20. the Canadian Federation of Labour is the sponsor of the Fund.

Decision

3. Each of the Decision Makers is satisfied that the test contained in the legislation that provided the Decision Maker with the jurisdiction to make the decision has been met. The decision of the Decision Makers is that the Requested Relief is granted provided that:

(a) the Fund continues to have a current prospectus;

(b) in relation to the Merger Shares and the FOF Merger Shares:

(i) the Fund's prospectus contains, and any renewal prospectuses of the Fund contain, all disclosure required by NI 81-106 to be included in an annual information form for the Merger Shares and the FOF Merger Shares;

(ii) the Fund files no later than November 29, 2006, and on an annual basis thereafter, on SEDAR a notice which includes the following:

(A) a statement that GWCF has received exemptive relief from the requirement to file an annual information form in respect of the Merger Shares and the FOF Merger Shares; and

(B) a direction to holders of Merger Shares and the FOF Merger Shares that they should refer to the then current prospectus of the Fund, as it may be amended from time to time, for information concerning the Merger Shares or the FOF Merger Shares, as the case may be;

(iii) if a holder of Merger Shares or FOF Merger Shares requests a copy of the annual information form for the Merger Shares or the FOF Merger Shares, the Fund sends, without charge, to the holder within 10 calendar days after the Fund receives the request, a copy of the most recent prospectus of the Fund, together with a clear and concise statement that indicates that the prospectus contains the information about the Merger Shares or the FOF Merger Shares, as the case may be, that would otherwise be disclosed in an annual information form;

(iv) the Fund files and delivers its annual financial statements and management reports of fund performance in accordance with securities laws requirements; and

(v) the Fund files and delivers notices as required under all other continuous disclosure requirements as set out in securities legislation and NI 81-106; and

(c) in relation to any Future Merger Shares:

(i) the Future Merger Shares are issued in accordance with the requirements of NI 81-102;

(ii) the Fund's then current prospectus contains, and any renewal prospectuses of the Fund contain, all disclosure required by NI 81-106 to be included in an annual information form for any such Future Merger Shares;

(iii) the Fund files no later than the filing deadline for any annual information form under NI 81-106 on SEDAR a notice which includes the following:

(A) a statement that the Fund has received

exemptive relief from the requirement to file an annual information form in respect of the Future Merger Shares; and

(B) a direction to holders of Future Merger Shares that they should refer to the then current prospectus of the Fund, as it may be amended from time to time, for information concerning the Future Merger Shares;

(iv) if a holder of Future Merger Shares requests a copy of the annual information form for the Future Merger Shares, the Fund sends, without charge, to the holder within 10 calendar days after the Fund receives the request, a copy of the most recent prospectus of the Fund, together with a clear and concise statement that indicates that the prospectus contains the information about the Future Merger Shares that would otherwise be disclosed in an annual information form;

(v) the Fund files and delivers its annual financial statements and management reports of fund performance in accordance with securities laws requirements; and

(vi) the Fund files and delivers notices as required under all other continuous disclosure requirements as set out in securities legislation and NI 81-106.

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

2.1.6 Falconbridge Limited, Xstrata plc and Xstrata Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application from U.K. listed company (Parent) and its Canadian wholly-owned subsidiary (Subco) for an order pursuant to section 13.1 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102), exempting Subco from the requirements of NI 51-102; for an order pursuant to section 4.5 of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109) exempting Subco from the requirements of MI 52-109; for an order pursuant to section 8.1 of Multilateral Instrument 52-110 Audit Committees (MI 52-110) exempting Subco from the requirements of MI 52-110; for an order pursuant to section 3.1 of National Instrument 58-101 Corporate Governance Practices (NI 58-101) exempting Subco from the requirements of NI 58-101; for an order pursuant to section 121(2)(a)(ii) of the Securities Act (Ontario) exempting certain insiders of Subco from the insider reporting requirements of the Act – Subco is a wholly-owned subsidiary of Parent – Parent has provided a full and unconditional guarantee of Subco's securities – Subco cannot rely on the credit support issuer exemption in section 13.4 of NI 51-102 because Parent is not an "SEC MJDS issuer" and the outstanding securities of Subco do not meet the definition of 'designated credit support securities' – relief granted on conditions substantially analogous to the conditions contained in section 13.4 of NI 51-102 and also on the condition that Parent meets the definition of 'designated foreign issuer' in National Instrument 71-102 Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102) except for the fact that it is not a reporting issuer in a Jurisdiction.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.4.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.
Multilateral Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 58-101 Corporate Governance Practices, s. 3.1.
National Instrument 55-102 System for Electronic Disclosure by Insiders, s. 6.1.

December 8, 2006

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

AND

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

AND

IN THE MATTER OF
FALCONBRIDGE LIMITED, XSTRATA PLC AND
XSTRATA CANADA INC.
(the "Filers")

MRRS DECISION DOCUMENT

Background

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

(a) Falconbridge Limited ("**Falconbridge**") be granted an exemption from the requirements of Parts 4 through 12 of National Instrument 51-102 – Continuous Disclosure Obligations ("**NI 51-102**") pursuant to section 13.1 of NI 51-102, except in the Northwest Territories, where NI 51-102 has been adopted as a policy only;

(b) Falconbridge be granted an exemption from the requirements of National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**58-101**") pursuant to section 3.1 of NI 58-101, except in the Northwest Territories, where NI 58-101 has been adopted as a policy only;

(c) Falconbridge be granted an exemption from the requirements of section 3.5 of National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Foreign Currency ("**NI 52-107**") pursuant to section 9.1 of NI 52-107;

(d) Falconbridge be granted an exemption (the "**Certification Relief**") from the requirements of Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("**MI 52-109**") pursuant to section 4.5 of MI 52-109;

(e) Except in British Columbia, Falconbridge be granted an exemption (the "**Audit Committee Relief**") from the requirements of Multilateral Instrument 52-110 – Audit Committees ("**MI 52-110**") pursuant to section 8.1 of MI 52-110; and

(f) the insider reporting requirements and requirement to file an insider profile under National Instrument 55-102 – System for Electronic Disclosure by Insiders will not apply to an insider of Falconbridge in respect of securities of Falconbridge (the "**Insider Reporting Relief**");

(the exemptions in clause (a), (b) and (c), collectively, the "**Continuous Disclosure Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

Xstrata and Xstrata Canada

1. Xstrata plc ("**Xstrata**") is a corporation incorporated and existing under the laws of England and Wales with its principal executive offices in Zug, Switzerland. Xstrata's ordinary shares are listed on the London and Swiss stock exchanges.

2. Xstrata is the fifth largest diversified mining group in the world. Xstrata's operations and projects span five continents and 18 countries.

3. Xstrata Canada Inc. ("**Xstrata Canada**") is a corporation incorporated and existing under the laws of the Province of Ontario. Xstrata Canada is a wholly-owned indirect subsidiary of Xstrata and was incorporated for the purpose of acquiring Falconbridge. On May 18, 2006, Xstrata Canada made an offer, as varied, amended, and supplemented by a notice of extension dated July 7, 2006, a notice of variation dated July 11, 2006, a notice of variation dated July 21, 2006 and a notice of extension dated August 15, 2006 (as varied, amended and supplemented, the "Offer"), to purchase all of the issued and outstanding common shares of Falconbridge (the "Common Shares"), other than any Common Shares owned directly or indirectly by Xstrata or Xstrata Canada or their affiliates, at a price of $62.50 per Common Share.

4. Xstrata Canada has taken up and paid for an aggregate of 276,832,309 Common Shares under the Offer, representing approximately 72.9% of the issued and outstanding Common Shares on a fully-diluted basis. Xstrata Canada has acquired by compulsory acquisition an additional 8,937,014 Common Shares. Xstrata indirectly owns an additional 92,222,426 Common Shares through

1184760 Alberta Ltd., which is a wholly-owned indirect subsidiary of Xstrata. Together with their associates and affiliates, Xstrata and Xstrata Canada beneficially own 377,994,397 Common Shares, representing 100% of Falconbridge's issued and outstanding voting securities.

5. As a company incorporated in the United Kingdom (the "**U.K.**") and whose ordinary shares are listed on the London Stock Exchange plc (the "**LSE**"), Xstrata is subject to the financial reporting requirements of the Listing Rules (the "**U.K. Listing Rules**") of the Financial Services Authority of the United Kingdom (the "**FSA**") pursuant to which Xstrata publishes and files its financial statements prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Financial statements are currently required by the U.K. Listing Rules to be filed with the FSA on a semi-annual basis. (Filing with the FSA entails forwarding the document to the FSA for publication on the FSA's document viewing facility.) Under the U.K. Listing Rules, Xstrata's annual financial statements are required to be filed as soon as possible after they have been approved, and within six months of Xstrata's financial year end. The U.K. Listing Rules also require that Xstrata approve and file a preliminary statement of annual results within 120 days following the end of its financial year. The half yearly financial statements in respect of the first six months of Xstrata's financial year are required to be filed as soon as possible after they have been approved but no later than 90 days after the end of the period. Xstrata's financial year end is December 31.

6. Neither Xstrata nor Xstrata Canada is a reporting issuer or equivalent in any Jurisdiction.

7. Xstrata does not have a class of securities registered under section 12 of the 1934 Act and is not required to file reports under section 15(d) of the 1934 Act.

8. None of Xstrata's equity securities are owned of record by residents of Canada. The total number of equity securities of Xstrata owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully-diluted basis, of the total number of Xstrata's equity securities.

Falconbridge

9. Falconbridge is a corporation incorporated and existing under the laws of the Province of Ontario with its principal executive offices located in Toronto, Ontario. Falconbridge is the result of an amalgamation between Noranda Inc. and the former Falconbridge Limited, which occurred on June 30, 2005. Falconbridge's financial year end is December 31.

10. Falconbridge is principally engaged in the production of copper and nickel and has investments in fully integrated zinc and aluminium assets.

11. The authorized capital of Falconbridge consists of an unlimited number of Common Shares, an unlimited number of preferred shares issuable in series and an unlimited number of participating shares issuable in series. As of November 2, 2006, there were issued and outstanding:

    (a) 377,994,397 Common Shares, all of which are owned indirectly by Xstrata;

    (b) 6,000,000 cumulative redeemable preferred shares, Series H (the "**Series H Preferred Shares**");

    (c) 4,787,283 cumulative redeemable preferred shares, Series 2 (the "**Series 2 Preferred Shares**"); and

    (d) 3,122,822 cumulative redeemable preferred shares, Series 3 (the "**Series 3 Preferred Shares**" and, together with the Series H Preferred Shares and the Series 2 Preferred Shares, the "**Preferred Shares**").

12. Falconbridge is a reporting issuer or its equivalent in each of the Jurisdictions where such status exists.

13. Falconbridge is not in default of any of the requirements of the Legislation other than the requirements to file interim financial statements for the nine months ended September 30, 2006 by November 14, 2006.

14. The Common Shares were delisted from the Toronto Stock Exchange (the "**TSX**") on November 1, 2006 and from the New York Stock Exchange on August 17, 2006. The Preferred Shares are listed on the TSX. No other securities of Falconbridge are listed on a securities exchange.

15. The holders of the Series H Preferred Shares are entitled to receive fixed, preferential, cumulative cash dividends of $1.625 per annum, payable quarterly. The holders of the Series 2 Preferred Shares are entitled to receive a floating rate dividend, payable monthly, based on prevailing monthly prime lending rates and an adjustment factor based on the trading price of the Series 2 Preferred Shares. The holders of the Series 3 Preferred Shares are entitled to receive fixed, preferential cumulative cash dividends, payable quarterly. The dividends rate on the Series 3 Preferred Shares is set for five year intervals commencing March 1, 2004 and is based on a

percentage of the yield on Government of Canada bonds having five year maturities.

16. Except as otherwise provided by law and except for meetings of the holders of the Preferred Shares as a class and meetings of holders of Series H Preferred Shares as separate series, the holders of the Series H Preferred Shares are not entitled to receive notice of, or to attend, or to vote at, any meeting of shareholders of Falconbridge, unless and until Falconbridge has failed to pay eight quarterly dividends, in which case, so long as any dividends are in arrears, the holders of the Series H Shares will be entitled to vote in the same class as the Common Shares, with each Series H Preferred Share having one vote. In addition, amendments to the rights, privileges, restrictions and conditions attaching to the Series H Preferred Shares require the approval of not less than 66 ?% of the votes cast at a meeting of holders of the Series H Preferred Shares.

17. The holders of the Series 2 Preferred Shares and the Series 3 Preferred Shares are entitled to receive notice of meetings of shareholders of Falconbridge called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of the property of the Corporation other than in the ordinary course of business. In addition, if Falconbridge fails to pay 24 monthly dividends on the Series 2 Preferred Shares, whether or not consecutive, the holders of the Series 2 Preferred Shares will have the right to receive notice of, and to attend, subsequent meetings of Falconbridge shareholders and will have the right at any such meeting to one vote for each Series 2 Preferred Share held, until all such arrears of dividends on the Series 2 Preferred Shares are paid. If Falconbridge fails to pay 8 quarterly dividends on the Series 3 Preferred Shares, whether or not consecutive, the holders of the Series 3 Preferred Shares will have the right to receive notice of, and to attend, subsequent meetings of Falconbridge shareholders and will have the right at any such meeting to one vote for each Series 3 Preferred Share held, until all such arrears of dividends on the Series 3 Preferred Shares are paid.

18. Currently, none of the dividends on the Preferred Shares are in arrears.

19. Amendments to the rights, privileges, restrictions and conditions attaching to the Series 2 Preferred Shares require the approval of not less than 66 ?% of the votes cast at a meeting of the holders of the Series 2 Preferred Shares. Amendments to the rights, privileges, restrictions and conditions attaching to the Series 3 Preferred Shares require the approval of not less than 66 ?% of the votes cast at a meeting of holders of the Series 3 Preferred Shares. The provisions of the Series 2 Preferred Shares may not be amended unless the provisions of the Series 3 Preferred Shares are amended in the same proportion and in the same manner. The provisions of the Series 3 Preferred Shares may not be amended unless the provisions of the Series 2 Preferred Shares are amended in the same proportion and in the same manner

20. The Series H Preferred Shares are convertible at the option of the holders into Common Shares after June 30, 2008 on the last day of March, June, September and December in each year. Upon conversion, the holder is entitled to receive the number of Common Shares determined by dividing $25 (plus any accrued and unpaid dividends) by the current market price of the Common Shares. Falconbridge has the right to convert the Series H Preferred Shares into Common Shares on or after March 30, 2008.

21. Falconbridge has the right to prevent, and will not permit, the conversion of any Series H Preferred Shares into Common Shares. The right of the holders of Series H Preferred Shares to convert their shares into Common Shares is expressly subject to Falconbridge's right to redeem for $25.00 per share, plus accrued and unpaid dividends, any Series H Preferred Shares submitted for conversion.

22. Holders of Series 2 Preferred Shares may, at their option, every five years on March 1, commencing March 1, 2004, convert all or any of their Series 2 Preferred Shares into Series 3 Preferred Shares. Holders of Series 3 Preferred Shares may at their option every five years on March 1, commencing March 1, 2009, convert all or any of their Series 3 Preferred Shares into Series 2 Preferred Shares.

23. Falconbridge may redeem all, but not less than all, of the Series 2 Preferred Shares at any time on payment of $25.50 per share plus accrued and unpaid dividends. Falconbridge may redeem all, but not less than all, of the Series 3 Preferred Shares upon 45 days notice only on March 1, 2009 and on each five year anniversary thereafter on payment of $25.00 per share plus accrued and unpaid dividends.

24. As of November 15, 2006, Falconbridge had outstanding the following unsecured notes and debentures (collectively, the "**Notes**"):

    (a) US $250 million principal amount of 6.2% notes due June 15, 2035;

    (b) US $250 million principal amount of 5.5% notes due June 15, 2017;

    (c) US $350 million principal amount of 6% notes due October 15, 2015;

(d) US $250 million principal amount of 5.375% notes due June 1, 2015;

(e) US $250 million principal amount 7.35% notes due June 5, 2012;

(f) US $300 million principal amount of 7.25% notes due July 15, 2012;

(g) US $300 million principal amount of 8.375% notes due February 15, 2011; and

(h) Cdn. $175 million principal amount of 8.5% debentures due December 8, 2008.

25. The only securities issued by Falconbridge that are owned by parties unaffiliated with Xstrata are the Preferred Shares and the Notes.

26. To further secure the Preferred Shares and the Notes, Xstrata will provide full and unconditional guarantees of Falconbridge's payment obligations under the Preferred Shares and the Notes, including any Preferred Shares that may be issued on conversion of any Series 2 Preferred Share or Series 3 Preferred Shares currently outstanding.

27. Falconbridge currently has investment grade credit ratings. The Notes and the Preferred Shares are currently rated as follows:

Rating Agency	**Notes Rating**	**Preferred Shares Rating**
Moody's Investors Service	Baa2	not rated
Standard & Poor's	BBB+	BBB-
Dominion Bond Rating Service Limited	BBB (high)	Pfd-3 (high)

28. Xstrata currently has investment grade credit ratings that are equal to or better than Falconbridge's ratings.

29. As a result of the guarantees, the holders of the Preferred Shares and the Notes will in effect have a greater interest in the financial condition of Xstrata than they will have in Falconbridge alone.

30. The Legislation currently provides certain exemptions from continuous disclosure and other obligations on reporting issuers incorporated in foreign jurisdictions that have a limited presence in the markets in the Jurisdictions. National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers ("NI 71-102") provides numerous exemptions for such issuers from the continuous disclosure requirements of NI 51-102.

31. In addition, reporting issuers which are not incorporated in a foreign jurisdiction are also relieved of a significant portion of the continuous disclosure obligations under NI 51-102 pursuant to section 13.4 of NI 51-102 where the reporting issuer has issued only non-convertible debt and preferred shares that have been fully and unconditionally guaranteed by an "SEC MJDS issuer".

32. Xstrata is not an SEC MJDS issuer as defined in section 13.4 of NI 51-102. As a result, the exemptions from NI 51-102 for credit support issuers who have issued only designated credit support securities fully and unconditionally guaranteed by an SEC MJDS issuer is not applicable to Falconbridge and Xstrata.

Decision

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

1. THE DECISION of the Decision Makers under the Legislation is that the Continuous Disclosure Relief and the Audit Committee Relief is granted to Falconbridge provided that:

(i) Xstrata is the direct or indirect beneficial owner of all of the issued and outstanding voting securities of Falconbridge;

(ii) Xstrata is incorporated or organized under the laws of the U.K., and Canadian residents own, directly or indirectly, outstanding voting securities carrying no more than 50 per cent of the votes for the election of directors, and none of the following is true:

(A) the majority of the executive officers or directors of Xstrata are residents of Canada;

(B) more than 50 per cent of the consolidated assets of Xstrata are located in Canada; and

(C) the business of Xstrata is administered principally in Canada;

(iii) Xstrata does not have a class of securities registered under section 12 of the 1934 Act and is not required to file

reports under section 15(d) of the 1934 Act;

(iv) Xstrata's ordinary shares are listed on the LSE and Xstrata is subject to and complies with the requirements of the U.K. Listing Rules concerning the disclosure made to the public, to securityholders of Xstrata or to the U.K. Listing Authority relating to Xstrata and the trading of its securities (the "**U.K. Disclosure Requirements**") and has filed all documents that it is required to have filed by the U.K. Disclosure Requirements;

(v) the U.K. is a designated foreign jurisdiction as such term is defined in section 1.1 of N1 71-102;

(vi) the total number of equity securities of Xstrata owned, directly or indirectly, by residents of Canada does not exceed 10 per cent, on a fully-diluted basis, of the total number of Xstrata's equity securities, calculated in accordance with sections 1.2 and 1.3 of NI 71-102;

(vii) Falconbridge does not issue any securities, and does not have any securities outstanding, other than:

(A) designated credit support securities (as such term is defined in NI 51-102) for which Xstrata has provided a full and unconditional guarantee;

(B) securities issued to and held by Xstrata or an affiliate of Xstrata;

(C) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions;

(D) securities issued under exemptions from the registration requirement and prospectus requirement in section 2.35 of National Instrument 45-106 – Prospectus and Registration Exemptions; or

(E) the Preferred Shares;

(viii) Xstrata has provided a full and unconditional guarantee of the payments to be made by Falconbridge, as stipulated in the terms of the Preferred Shares and the Notes or in one or more agreements governing the rights of holders of the Preferred Shares and the Notes, that results in the holders of the Preferred Shares and the Notes being entitled to receive payment from Xstrata within 15 days of any failure by the Falconbridge to make a payment;

(ix) Falconbridge does not issue any additional Series H Preferred Shares and does not permit the conversion of the Series H Preferred Shares into Falconbridge Common Shares;

(x) Falconbridge does not issue any additional Series 2 Preferred Shares or Series 3 Preferred Shares except in connection with the conversion of any of the Preferred Shares in accordance with their terms;

(xi) Falconbridge files on SEDAR in electronic format copies of all documents Xstrata is required to file under the U.K. Disclosure Requirements, at the same time or as soon as practicable after such documents are filed with the FSA;

(xii) if Xstrata sends a document to holders of securities of any class under the laws of the U.K., and that document is required to be filed by the terms of this decision, then the document shall be sent in the same manner and at the same time, or as soon as practicable after, to Falconbridge security holders;

(xiii) Xstrata's disclosure documents required to be filed with or furnished to the FSA and filed electronically pursuant to paragraph (xi) above comply with the requirements of NI 52-107 applicable to foreign issuers (other than section 3.5 of NI 52-107);

(xiv) at least once a year, Falconbridge discloses in, or as an appendix to, a document that Xstrata is required by U.K. Disclosure Requirements to send to its securityholders and that Falconbridge sends to its securityholders in the Jurisdictions:

(A) that Xstrata is subject to the regulatory requirements of the FSA; and

(B) that pursuant to the terms of this decision, the Decision Makers have provided Falconbridge with exemptive relief from certain continuous disclosure requirements under the Legislation provided that, among other things, Falconbridge files in the Jurisdictions and provides to its securityholders the disclosure documents filed by Xstrata pursuant to the U.K. Disclosure Requirements;

(xv) Xstrata complies with U.K. Disclosure Requirements in respect of making public disclosure of material information on a timely basis and Falconbridge immediately issues in the Jurisdictions and files any news release that discloses a material change in Xstrata's affairs;

(xvi) Falconbridge issues in the Jurisdictions a news release and files a material change report for all material changes in respect of the affairs of Falconbridge that are not also material changes in the affairs of Xstrata;

(xvii) Falconbridge files on SEDAR, in electronic format, in or with the copy of the interim and annual consolidated financial statements of Xstrata pursuant to paragraph (xi) above, for the periods covered by the interim or annual consolidated financial statements of Xstrata filed on SEDAR under paragraph (xi) above, unaudited consolidating summary financial information, as defined or described in section 13.4 of NI 51-102, for Xstrata prepared in accordance with IFRS and presented with a separate column for each of the following:

(A) Xstrata on a non-consolidated basis;

(B) Falconbridge and its subsidiaries on a combined basis;

(C) any other subsidiaries of Xstrata on a combined basis;

(D) consolidating adjustments; and

(E) the total consolidated amounts;

(xviii) the consolidating summary financial information required by paragraph (xvii) above shall be prepared on the following basis:

(A) an entity's annual or interim summary financial information must be derived from the entity's financial information underlying the corresponding consolidated financial statements of Xstrata for the corresponding period;

(B) the column of the consolidating summary financial information for Xstrata shall account for investments in all subsidiaries under the equity method; and

(C) the column of the consolidating summary financial information for other subsidiaries of Xstrata shall account for these subsidiaries under the equity method;

(xix) so long as the securities issued by Falconbridge include debt, Falconbridge concurrently sends to all holders in the Jurisdictions of such securities all disclosure materials that are sent to holders of similar debt of Xstrata in the manner and at the time required by U.K. Disclosure Requirements;

(xx) so long as the securities issued by Falconbridge include preferred shares, Falconbridge concurrently sends to all holders in the Jurisdictions of such securities all disclosure materials that are sent to holders of similar preferred shares of Xstrata in the manner and at the time required by U.K. Disclosure Requirements;

(xxi) a news release is issued in the Jurisdictions announcing Xstrata's implementation of the guarantees of the Preferred Shares and Notes and describing the relief granted by this decision and filed by Falconbridge on SEDAR in a material change report;

(xxii) any amendments or supplements to disclosure documents of Xstrata filed by Falconbridge pursuant to this decision shall also be filed;

(xxiii) the documents of Xstrata filed by Falconbridge pursuant to this decision comply with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**");

(xxiv) with or prior to the filing of Xstrata's annual report for the year ending December 31, 2006, Falconbridge files a technical report under NI 43-101 for each mineral project on a property material to Xstrata;

(xxv) Falconbridge files a technical report under NI 43-101 to support scientific or technical information in Xstrata's disclosure to shareholders describing each mineral project on a property material to Xstrata;

(xxvi) Falconbridge files such other documents relating to Xstrata that Xstrata would be required to file by current and future requirements of the Legislation if Xstrata were a designated foreign issuer (as defined in NI 71-102) and Xstrata complies with current and future requirements of the Legislation applicable to designated foreign issuers as if Xstrata were a designated foreign issuer, provided that Xstrata will not be considered to be a reporting issuer because it complies with such requirements in order to satisfy the conditions of this decision, and provided further that any requirement of the Legislation that requires designated foreign issuers to file disclosure documents may be satisfied by the filing of such documents by Falconbridge; and

(xxvii) the Continuous Disclosure Relief and Audit Committee Relief will expire on the date that is five years after the date of this decision.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

2. THE FURTHER DECISION of the Decision Makers under the Legislation is that the Certification Relief is granted to Falconbridge provided that:

(i) Falconbridge qualifies for the Continuous Disclosure Relief and Audit Committee Relief and Falconbridge and Xstrata are in compliance with the requirements and conditions set out in paragraph 1 above;

(ii) Falconbridge is not required to, and does not, file its own Annual Filings and Interim Filings; and

(iii) the Certification Relief will expire on the date that is five years after the date of this decision.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance

3. THE FURTHER DECISION of the Decision Makers is that the Insider Reporting Relief be granted to insiders of Falconbridge provided that:

(i) if the insider is not Xstrata,

(A) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning Xstrata before the material facts or material changes are generally disclosed; and

(B) the insider is not an insider of Xstrata in any capacity other than by virtue of being an insider of Falconbridge;

(ii) if the insider is Xstrata, Xstrata does not beneficially own any designated credit support securities of Falconbridge;

(iii) Falconbridge qualifies for the Continuous Disclosure Relief and Audit Committee Relief and Falconbridge and Xstrata are in compliance with the requirements and conditions set out in paragraph 1 above; and

(iv) the Insider Reporting Relief will expire on the date that is five years after the date of this decision.

"Susan Wolburgh Jenah"
Vice-Chair

"Suresh Thakrar"
Commissioner

2.1.7 Global Dividend Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Investment fund using specified derivatives exempted from the requirement to calculate its NAV on a daily basis, subject to certain conditions – NAV will not be generally required for the purposes of issuing and redeeming units since unitholders will have the option of liquidating their shares on the TSX and will not be dependent on redemptions for the purposes of disposing of their units- Prospectus must disclose that NAV calculation is to be made available to public upon request and NAV must be posted on manager's website for so long as units listed on TSX and NAV per unit is calculated at least weekly - Clause 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

December 15, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, YUKON TERRITORY, 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
GLOBAL DIVIDEND FUND
(the 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 Fund for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 - *Investment Fund Continuous Disclosure* (NI 81-106) to calculate net asset value at least once every business day (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 Fund:

The Fund and Management of the Fund

1. The Fund will be an investment trust established under the laws of Ontario by a trust declaration by frontier*Alt* Investment Management Corporation (the Manager) as trustee. The Manager is located in Toronto, Ontario.

2. The Manager is the promoter of the Fund and has been retained to act as manager and trustee for the Fund. The Manager will be responsible for providing or arranging for the provision of administrative services required by the Fund.

3. The Manager will appoint MFC Global Investment Management (Canada), a division of Elliott & Page Limited, a Manulife Company as investment advisor to the Fund.

The Offering

4. The Fund's investment objectives are: (i) to provide holders of units of the Fund (Unitholders) with monthly cash distributions; and (ii) to preserve and enhance net asset value per unit of the Fund (a Unit).

5. The net proceeds of the offering will be invested in a diversified global portfolio comprised primarily of common shares and other equity securities. The Fund may utilize derivatives from time to time with respect to its foreign currency hedging strategy.

6. The Fund may employ leverage to enhance returns when it considers market conditions appropriate.

7. A custodian meeting the criteria of section 6.2 of National Instrument 81-102 – *Mutual Funds* will act as custodian of the assets of the Fund.

8. The Fund filed a preliminary prospectus dated November 3, 2006 with the Jurisdictions under SEDAR Project No. 1011341.

The Units

9. The Units are expected to be listed and posted for trading on the Toronto Stock Exchange (TSX). An application requesting conditional listing approval has been made on behalf of the Fund to the TSX.

10. Units may be surrendered at any time for redemption by the Fund. The Units will be redeemable at the option of the Unitholder on a monthly basis at a price computed by reference to the market price of the Units and, commencing in 2008, the Units will also be redeemable once annually at a price computed by reference to net asset value of the Fund. As a result, the Fund will not be a "mutual fund" under applicable securities legislation, but will be a "non-redeemable investment fund" for purposes of NI 81-106.

11. Since the Units will be listed for trading on the TSX, Unitholders will not have to rely solely on the redemption feature of the Units in order to provide liquidity for their investment.

12. The net asset value per Unit will be calculated weekly. The Manager will post the net asset value per Unit on its website (http://www.frontieralt.com/). The net asset value per Unit can also be obtained toll-free at 1.866.745.5545 ext. 322.

Decision

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

(a) the net asset value calculation is available to the public upon request; and

(b) a toll-free telephone number or website that the public can access for this purpose;

for so long as:

(c) the Units are listed on the TSX; and

(d) the Fund calculates its net asset value at least weekly.

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

2.1.8 Talisman Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications--"evergreen" relief from the formal issuer bid requirements granted to an issuer conducting an annual issuer bid through the facilities of the TSX and NYSE pursuant to the TSX normal course issuer bid rules--NYSE is not a recognized exchange.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(3)(e), 93(3)(f), 104(2)(c).

Citation: Talisman Energy Inc., 2006 ABASC 1876

December 15, 2006

IN THE MATTER OF
**THE SECURITIES LEGISLATION OF **
BRITISH COLUMBIA, 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
TALISMAN ENERGY INC. (the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirements contained in the Legislation relating to issuer bids (the Issuer Bid Requirements) shall not apply to purchases of the Filer's common shares (the Common Shares) made by the Filer through the facilities of the New York Stock Exchange pursuant to the Amended Bid (as defined below) or any Future Bids (as defined below) (the Requested Relief).

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

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

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

Interpretation

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

Representations

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

4.1 The Filer is a corporation incorporated under the *Canada Business Corporations Act*.

4.2 The Filer's head office is located in Calgary, Alberta.

4.3 The Filer is a reporting issuer in all of the jurisdictions of Canada that incorporate such a concept in their legislation and the Filer is not in default of any requirements of the applicable securities legislation in any of the jurisdictions of Canada in which it is a reporting issuer.

4.4 The Filer is an SEC registrant under the 1934 Act.

4.5 As at September 30, 2006, the Filer had approximately 1,090,367,180 Common Shares issued and outstanding.

4.6 The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the TSX) and the New York Stock Exchange (the NYSE).

4.7 For a number of years, the Filer has annually filed the necessary documents in order to permit it to make normal course issuer bid purchases of up 5% of its issued and outstanding Common Shares through the facilities of the TSX.

4.8 The Filer currently anticipates that it will continue to make the necessary filings on an annual basis in order to be able to make purchases of its Common Shares through either the facilities of the TSX or the facilities of both the TSX and the NYSE.

4.9 The Filer wishes to amend its current normal course issuer bid to enable it to purchase up to 10% of the public float of Common Shares and to provide that purchases may be made through the facilities of both the TSX and the NYSE (the Amended Bid).

4.10 The by-laws, regulations and policies of the TSX allow normal course issuer bid purchases of up to 10% of the public float to be made through the facilities of the TSX over the course of a year (the TSX NCIB Rules).

4.11 Purchases of Common Shares made through the facilities of the TSX in accordance with the TSX NCIB Rules are exempt from the Issuer Bid Requirements pursuant to the "recognized stock exchange exemption" contained in the Legislation (the Recognized Stock Exchange Exemption) while purchases through the facilities of the NYSE are not exempt pursuant to such exemption because the Decision Makers recognize the TSX as a "recognized stock exchange" for the purpose of the Recognized Stock Exchange Exemption but not the NYSE.

4.12 No other exemptions exist under the Legislation that would otherwise permit the Filer to make purchases through the NYSE where the purchases exceed the 5% limitation in the "normal course issuer bid" exemption contained in the Legislation (the NCIB Exemption).

4.13 Purchases of Common Shares by the Filer of up to 10% of the public float on the TSX and the NYSE would be permitted under the rules of the NYSE and under U.S. federal securities law.

4.14 The Filer anticipates that it may in future, through renewal normal course issuer bids, make purchases of its Common Shares through the facilities of both the TSX and NYSE pursuant to the TSX NCIB Rules where the purchases exceed the 5% limit in the NCIB Exemption (the Future Bids).

Decision

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

6. The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted provided that the purchases of Common Shares made through the facilities of the NYSE are part of a normal course issuer bid that complies with the TSX NCIB Rules.

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

"James A. Millard, QC"
Member
Alberta Securities Commission

2.1.9 Trilogy Blue Mountain Ltd. (as the amalgamated successor of Blue Mountain Energy Ltd.) - MRRS Decision

Headnote

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

Ontario Statutes

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

Citation: Trilogy Blue Mountain Ltd., 2006 ABASC 1891

December 15, 2006

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

AND

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

AND

IN THE MATTER OF
TRILOGY BLUE MOUNTAIN LTD.
(AS THE AMALGAMATED SUCCESSOR OF
BLUE MOUNTAIN ENERGY LTD.)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of Alberta, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the Jurisdictions) has received an application from Trilogy Blue Mountain Ltd. (the Filer), as the amalgamated successor of Blue Mountain Energy Ltd. (Blue Mountain), for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is deemed to have ceased to be a reporting issuer.

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

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

   2.2 this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision).

Interpretation

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

Representations

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

4.1 The head office of the Filer is located in Calgary, Alberta.

4.2 Blue Mountain is a reporting issuer in each of the Jurisdictions.

4.3 On September 14, 2006, Trilogy Acquisition Co. Ltd. (Trilogy), a wholly-owned subsidiary of the Trilogy Energy Trust (the Trust), made an offer to purchase all of the outstanding common shares of Blue Mountain at $5.50 per common share, payable in cash (the Offer).

4.4 Upon expiration of the Offer on October 23, 2006, 20,567,003 common shares, representing 95.7% of the issued and outstanding capital of Blue Mountain were deposited under the Offer and taken up by Trilogy.

4.5 Trilogy subsequently acquired all of the remaining common shares of Blue Mountain not deposited under the Offer (the Acquisition) upon reliance on the compulsory acquisition procedures contained in Part 16 of the Alberta *Business Corporations Act* (the ABCA).

4.6 On October 27, 2006, Trilogy and Blue Mountain amalgamated under section 184 of the ABCA (the Amalgamation) and formed the Filer, which in turn became a wholly-owned subsidiary of the Trust.

4.7 As a result of the Amalgamation, the Filer became a reporting issuer in each of the Jurisdictions.

4.8 On October 30, 2006, Blue Mountain's common shares were de-listed from the Toronto Stock Exchange.

4.9 Blue Mountain had a financial year end of December 31 and, as a result of the Amalgamation, the Filer's interim financial statements for the third quarter were due on November 15, 2006. As these financial statements were not filed, the Filer is now in default.

4.10 On November 16, 2006, the Requested Relief was requested pursuant to National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications.

4.11 The Filer applied to voluntarily surrender its status as a reporting issuer in British Columbia (B.C.) under B.C. Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, and ceased to be a reporting issuer in B.C. on November 6, 2006.

4.12 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.

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

4.14 The Filer is applying for relief to cease to be a reporting issuer in all the Jurisdictions in Canada in which it is currently a reporting issuer.

4.15 The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than the requirement to file its interim financial statements, interim MD&A and interim certification for the third quarter period ended September 30, 2006.

Decision

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

6. The Decision of the Decision Makers pursuant to the Legislation is that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

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

2.1.10 STaRS Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Investment fund using specified derivatives exempted from the requirement to calculate its NAV on a daily basis, subject to certain conditions – NAV will not be generally required for the purposes of issuing and redeeming units since unitholders will have the option of liquidating their shares on the TSX and will not be dependent on redemptions for the purposes of disposing of their units- Prospectus must disclose that NAV calculation is to be made available to public upon request and NAV must be posted on manager's website for so long as units listed on TSX and NAV per unit is calculated at least weekly - Clause 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

December 18, 2006

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

AND

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

AND

IN THE MATTER OF
STaRS INCOME FUND
(the "Trust")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from Middlefield STRS Management Limited (the "**Manager**"), the manager of the Trust, for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 - Investment Fund Continuous Disclosure ("**NI 81-106**") to calculate net asset value ("**NAV**") at least once every business day (the "**Requested Relief**").

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

(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 Trust:

1. The Trust is governed pursuant to a declaration of trust as amended and restated as of January 8, 2004, as further amended.

2. The Trust's investment objectives are: (i) to provide holders("Unitholders") of its trust units ("**Units**") with a stable stream of monthly distributions; and (ii) to return the original issue price of the Units to Unitholders upon termination of the Trust, as well as to provide Unitholders with capital appreciation above the original issue price.

3. The Trust has acquired a fixed portfolio of equity securities (the "**Fixed Portfolio**") and pursuant to agreements between the Manager, on behalf of the Trust, and one or more counterparties, such counterparties have agreed to pay the Trust a capital support payment equal to an aggregate of $5.00 per Unit of the Trust outstanding on the termination date of December 31, 2013 (the "**Termination Date**"), in exchange for the Trust agreeing to deliver to such counterparties the securities comprising the Fixed Portfolio or the cash equivalent of their value on the Termination Date (the "**Forward Agreements**").

4. The Trust has also invested the trust property not comprising the Fixed Portfolio in a diversified managed portfolio of securities consisting of real estate investment trust, oil and gas royalty trust, income fund, high yield debt and other high yielding equity and debt securities primarily of North American issuers as determined by the Co-Advisors (as defined below) from time to time.

5. The Trust may invest in or use derivative instruments, in addition to the Forward Agreements, for hedging purposes consistent with its investment strategy and in accordance with National Instrument 81-102 - Mutual Funds or as otherwise permitted by the Canadian securities regulators from time to time. However, the Trust may not make any investment that would result in the Trust failing to comply with its investment restrictions regarding its status as a "mutual fund trust" as defined in the *Income Tax Act* (Canada).

6. The Manager is a corporation incorporated under the laws of Ontario. The Manager is the trustee and manager of the Trust and is responsible for providing or arranging for the provision of administrative services to the Trust.

7. Guardian Capital LP and Middlefield Capital Corporation are the investment co-advisors to the Trust (the "**Co-Advisors**").

8. Units are redeemable on the last day of each month prior to the Termination Date (each a "**Redemption Valuation Date**"). Unitholders whose Units are redeemed on a Redemption Valuation Date in the month of December are entitled to receive a redemption price per Unit that is equal to the NAV per Unit determined as of the December Redemption Valuation Date. In respect of any other Redemption Valuation Date, Unitholders whose Units are redeemed are entitled to receive a redemption price per Unit determined as of the applicable Redemption Valuation Date equal to the NAV per Unit less the lesser of (a) 4% of NAV per Unit as of such Redemption Valuation Date, and (b) $0.40 per Unit.

9. Unitholders that have redeemed their Units will receive payment on or before the tenth business day of the month following the relevant Redemption Valuation Date.

10. The Manager intends to calculate the NAV per Unit on a weekly basis on Thursday of each week (or if Thursday is not a business day, then on the immediately preceding business day) and on the last business day of each month and December 31 of each year. The Trust will make available to the financial press for publication on a weekly basis its NAV per Unit as well as through the internet at www.middlefield.com.

11. The Units are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"). Since the Units are listed for trading on the TSX, Unitholders do not have to rely solely on the redemption feature of the Units in order to provide liquidity for their investment.

Decision

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

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

(a) the NAV calculation is available to the public upon request; and

(b) a toll-free telephone number or website is available which the public can access for this purpose;

for so long as:

(c) the Units are listed on the TSX; and

(d) the Trust calculates its NAV at least weekly.

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

2.1.11 Bell Aliant Regional Communications Holdings, Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application related to i) recent reorganization of corporate reporting issuer by its controlling shareholders, ii) conversion of reporting issuer into an income trust by way of a plan of arrangement, and iii) establishment of a new finance subsidiary – As a consequence of the plan of arrangement, newly established parent entity (Holdings LP) to corporate reporting issuer became a reporting issuer in certain jurisdictions by operation of law – Holdings LP deemed to be reporting issuer in other jurisdictions to ensure consistency of regulatory treatment across Canada – corporate reporting issuer deemed to have ceased to be a reporting issuer since its filings will largely duplicate filings of Holdings LP and will provide little additional benefit to investors – See also related application by finance subsidiary for continuous disclosure relief and related relief based on continuous disclosure filings of principal credit supporter, Holdings LP.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83, 83.1.

November 24, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
SASKATCHEWAN, ONTARIO, NEW BRUNSWICK
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
BELL ALIANT REGIONAL COMMUNICATIONS
HOLDINGS, LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from Bell Aliant Regional Communications Holdings, Limited Partnership ("**Holdings LP**") for a decision (the "**Deemed Reporting Issuer Relief**") under the securities legislation of the Jurisdictions (the "**Legislation**") that Holdings LP be deemed or declared to be a reporting issuer or equivalent in each of the Jurisdictions.

Under National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* ("**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 Holdings LP:

The Arrangement

1. Bell Aliant Regional Communications, Limited Partnership ("**Bell Aliant LP**"), Holdings LP and Bell Aliant Regional Communications Income Fund (the "**Fund**") are each successor issuers to Aliant Inc. ("**Aliant**") and its wholly-owned subsidiary, Aliant Telecom Inc. ("**Aliant Telecom**" and, together with Aliant, "**Old Aliant**"), and were created in connection with a reorganization of Old Aliant pursuant to a plan of arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*.

2. On July 7, 2006, Old Aliant, BCE Inc. ("**BCE**") and Bell Canada completed the implementation of the Arrangement, which involved an exchange of certain business operations between Bell Canada and Old Aliant and the conversion of Old Aliant to an income trust.

3. The Arrangement resulted in

   (i) the combination of Old Aliant's wireline telecommunications operation in Atlantic Canada, information technology operation and other operations with Bell Canada's wireline telecommunications operation in certain of its regional territories in Ontario and Québec (the "**Rural Wireline Operations**");

   (ii) the transfer of Bell Canada's 63.4% indirect interest in NorthernTel, Limited Partnership and Télébec, Limited Partnership (collectively the "**Bell Nordiq Partnerships**") to Old Aliant;

   (iii) the transfer of Old Aliant's wireless operations and its interest in DownEast Ltd. to Bell Canada; and

(iv) the conversion of Old Aliant to an income trust with the outstanding common shares of Old Aliant (other than a number of shares held by BCE) being exchanged for units of the Fund on a one for one basis.

4. The Arrangement resulted in the creation of a number of entities held directly and indirectly, in whole or in part by the Fund, each of which is a general partner or other holding entity created to facilitate the operation of the combined business by Bell Aliant LP and the distribution of cash derived from the operations and activities of Bell Aliant LP and the Bell Nordiq Partnerships to the unitholders.

The Fund

5. The Fund is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The Fund was established on March 30, 2006 under a declaration of trust, as amended and restated on July 6, 2006 (the "**Declaration of Trust**"), in connection with the Arrangement.

6. The Fund is a reporting issuer or equivalent in each of the Jurisdictions.

7. The beneficial interests in the Fund are divided into interests of two classes, designated as "**Units**" and "**Special Voting Units**". An unlimited number of Units and Special Voting Units are issuable pursuant to the Declaration of Trust.

8. Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund and in the net assets of the Fund in the event of a termination or winding up of the Fund. Each Unit entitles the holder thereof to one vote at all meetings of holders of Units and Special Voting Units (collectively, "**Voting Unitholders**").

9. Special Voting Units are not entitled to any beneficial interest in any distribution from the Fund or in the net assets of the Fund in the event of a termination or winding up of the Fund. Each Special Voting Unit entitles the holder thereof to one vote at any meeting of Voting Unitholders (subject to customary anti-dilution adjustments).

10. The Units of the Fund are listed on the Toronto Stock Exchange under the symbol "BA.UN". As of September 30, 2006, 124,118,633 Units were issued and outstanding representing a 55.3 % voting interest in the Fund.

Holdings LP

11. Holdings LP is a limited partnership established under the laws of the Province of Quebec on June 29, 2006. The head office of Holdings LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.

12. Holdings LP is a successor issuer to each of Aliant and Aliant Telecom and upon completion of the Arrangement it became a reporting issuer in the provinces of Nova Scotia, British Columbia and Alberta.

13. As a result of the varying definitions of "reporting issuer" contained in Canadian securities legislation, Holdings LP did not automatically, upon completion of the Arrangement, become a reporting issuer in the provinces of Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick or Newfoundland and Labrador.

14. Holdings LP is authorized to issue Class 1 exchangeable limited partnership units (the "**Holdings Class 1 Exchangeable LP Units**") and Class 2 limited partnership units (the "**Holdings Class 2 LP Units**").

15. As at September 30, 2006, there were 28,168,803 Holdings Class 1 Exchangeable LP Units and 124,121,177 Holdings Class 2 LP Units outstanding. BCE indirectly holds all of the Holdings Class 1 Exchangeable LP Units and Bell Aliant Holdings Trust ("**Holdings Trust**"), a wholly-owned subsidiary of the Fund, holds all of the Holdings Class 2 LP Units.

16. Bell Aliant Regional Communications Holdings Inc. ("**Holdings GP**") is the general partner of Holdings LP.

Bell Aliant LP

17. Bell Aliant LP is a limited partnership established in connection with the Arrangement under the laws of the Province of Manitoba on July 5, 2006. The head office of Bell Aliant LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.

18. As part of the Arrangement, substantially all of the business, operations and assets of Old Aliant and its operating subsidiaries were transferred to Bell Aliant LP and Bell Aliant LP continues to carry on the business previously carried on by Old Aliant and its subsidiaries, other than the wireless operations, which were transferred to Bell Canada.

19. Bell Aliant LP is a successor issuer to each of Aliant and Aliant Telecom and became a reporting issuer in certain provinces of Canada upon completion of the Arrangement. Bell Aliant LP became a reporting issuer or equivalent in each of the Jurisdictions upon receiving a final MRRS document on September 15, 2006 for the short

form base shelf prospectus offering up to $3.0 billion principal amount of medium term notes.

Wireline GP

20. Bell Aliant Regional Communications, Inc ("**Wireline GP**") is a corporation incorporated under the *Canada Business Corporations Act* and was formed by the amalgamation of:

    (i) Aliant and Aliant Telecom and certain other subsidiaries pursuant to articles of amalgamation on July 1, 2006; and

    (ii) 6591710 Canada Inc. on July 7, 2006 pursuant to the articles of arrangement filed on July 5, 2006 in connection with the Arrangement.

21. Wireline GP is a successor issuer to each of Aliant and Aliant Telecom and is a reporting issuer or equivalent in each of the Jurisdictions.

22. Wireline GP is the general partner of Bell Aliant LP.

23. Wireline GP had applied for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it was a reporting issuer as a result of the Arrangement, other than in British Columbia where it filed the notice required under the Legislation of that province to voluntarily surrender its reporting issuer status effective on October 10, 2006. The relief deeming Wireline GP to have ceased to be a reporting issuer in all such jurisdictions was granted on November 9, 2006.

Decision

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decisions Makers with jurisdiction to make decisions herein have been met.

THE DECISION of the Decision Makers under the Legislation is that the Deemed Reporting Issuer Relief is granted.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.12 Bell Aliant Regional Communications, Inc. - ss. 83, 83.1

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application related to i) recent reorganization of corporate reporting issuer by its controlling shareholders, ii) conversion of reporting issuer into an income trust by way of a plan of arrangement, and iii) establishment of a new finance subsidiary – As a consequence of the plan of arrangement, newly established parent entity (Holdings LP) to corporate reporting issuer became a reporting issuer in certain jurisdictions by operation of law – Holdings LP deemed to be reporting issuer in other jurisdictions to ensure consistency of regulatory treatment across Canada – corporate reporting issuer deemed to have ceased to be a reporting issuer since its filings will largely duplicate filings of Holdings LP and will provide little additional benefit to investors – See also related application by finance subsidiary for continuous disclosure relief and related relief based on continuous disclosure filings of principal credit supporter, Holdings LP.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83, 83.1.

November 9, 2006

Blake, Cassels & Graydon LLP
Box 25, Commerce Court West
199 Bay Street, Suite 2800
Toronto, Ontario
M5L 1A9

Attention: Anthony Zaidi

Dear Sirs / Mesdames:

Re: Bell Aliant Regional Communications, Inc. (the "Applicant")-Application to cease to be a reporting issuer under the securities legislation of Nova Scotia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

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

"R. Daren Baxter"
Vice-Chairman
Nova Scotia Securities Commission

2.1.13 Calpine Power Income Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System – OSC Rule 61-501 – take-over bid and subsequent business combination – Rule 61-501 requires sending of information circular and holding of meeting in connection with second step business combination – target's declaration of trust provides that a resolution in writing executed by unitholders holding more than 66 2/3% of the outstanding units is valid and binding as if such voting rights had been exercised in favour of such resolution at a meeting of Unitholders – second step business combination to be subject to minority approval, calculated in accordance with section 8.2 of Rule 61-501 – relief granted from requirement that information circular be sent and meeting be held

Applicable Ontario Rule

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

December 19, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF THE
POTENTIAL TAKE-OVER BID FOR
CALPINE POWER INCOME FUND
BY AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF
HARBINGER CAPITAL PARTNERS SPECIAL
SITUATIONS FUND, L.P. AND HARBINGER CAPITAL
PARTNERS MASTER FUND I, LTD.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of Quebec and Ontario (the "**Jurisdictions**") has received an application from HCP Acquisition Inc. (the "**Filer**"), an indirect wholly-owned subsidiary of Harbinger Capital Partners Special Situations Fund, L.P. ("**Harbinger Situations Fund**") and Harbinger Capital Partners Master Fund I, Ltd. ("**Harbinger Master Fund**" and together with Harbinger Solutions Fund, collectively, the "**Harbinger Funds**"), in connection with a potential take-over bid (the "**Bid**") for Calpine Power Income Fund ("**Calpine**"), for a decision pursuant to the

securities legislation of the Jurisdictions (the "**Legislation**") that the requirements of the Legislation that:

(a) a Compulsory Acquisition or Subsequent Acquisition Transaction (each as defined below), as applicable, be approved at a meeting of the unitholders of Calpine (the "**Unitholders**"); and

(b) an information circular be sent to the Unitholders in connection with either a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable;

be waived (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the OSC is the principal regulator, for this application; and

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

Interpretation

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

Representations

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

1. The Filer is a company incorporated under the *Companies Act* (Nova Scotia) for the purposes of making the Bid. It is an indirect wholly-owned subsidiary of the Harbinger Funds. The Filer's head and registered offices are located in Halifax, Nova Scotia. The authorized share capital of the Filer is one billion common shares and one billion preferred shares.

2. Harbinger Situations Fund is a Delaware limited partnership with Harbinger Capital Partners Special Situations GP, LLC, a Delaware limited liability company, as its general partner. Harbinger Master Fund is a Cayman Islands exempt company.

3. The outstanding units of Calpine (the "**Units**") are held by CDS Clearing and Depository Services Inc. in book-entry only form.

4. If the Filer decides to proceed with the Bid, it is currently expected that:

   (a) the Bid will be for all of the outstanding Units in consideration for a specified amount in cash to represent a premium to the market price of the Units at a level to be determined;

   (b) one of the conditions of the Bid will be that there shall have been validly deposited under the Bid and not withdrawn at the expiry of the Bid that number of Units (including the Units held at the date of the expiry of the Bid by or on behalf of the Filer, the Harbinger Funds and any of their affiliates) representing at least 66?% of the Units on a fully-diluted basis;

   (c) if the conditions to the Bid are satisfied (or waived by the Filer) and the Filer takes up and pays for Units deposited pursuant to the Bid, the Filer may proceed with a compulsory acquisition of the Units not deposited to the Bid as permitted by Calpine's Declaration of Trust (the "**Declaration of Trust**") for the same consideration per Unit as was paid under the Bid, if within 120 days after the date of the Bid, the Bid is accepted by Unitholders of not less than 90% of the Units (other than Units held at the date of the Bid by or on behalf of, or issuable to, the Filer or an affiliate or an associate of the Filer) (a "**Compulsory Acquisition**");

   (d) in connection with either a Compulsory Acquisition, if available and if Bidco elects to proceed thereunder, or a Subsequent Acquisition Transaction (as defined below), Bidco currently intends to amend the Declaration of Trust by the Written Resolution (as defined below) to provide that non-tendering offerees will be deemed to have elected to transfer and to have transferred their Units to an offeror immediately on the giving of the offeror's notice prescribed by the Declaration of Trust notifying non-tendering offerees that, among other things, the offeror is entitled to acquire their Units by way of Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable (as opposed to 20 days after receipt of an offeror's notice, as currently provided) (the "**Notice Amendment**");

   (e) if a Compulsory Acquisition as permitted under the Declaration of Trust is not available to Bidco or Bidco elects not to proceed under those provisions, Bidco currently intends to acquire the Units not deposited to the Bid by:

      i. amending the Declaration of Trust (the "**Threshold Amendment**") to provide that a Compulsory Acquisition may be effected if Bidco and its affiliates, after take-up and

payment of Units deposited under the Bid, hold not less than 66⅔% of the Units calculated on a fully-diluted basis (a Compulsory Acquisition, amended by the Threshold Amendment, being referred to herein as a "**Subsequent Acquisition Transaction**"); and

ii. proceeding with the Subsequent Acquisition Transaction in respect of the Units not deposited to the Bid as permitted by the Declaration of Trust, as so amended;

(f) in order to effect either a Compulsory Acquisition, if available and if Bidco elects to proceed thereunder, or a Subsequent Acquisition Transaction in accordance with the foregoing, rather than seeking the Unitholders' approval at a special meeting of the Unitholders to be called for such purpose, the Filer intends to rely on section 10.8 of the Declaration of Trust, which specifies that a resolution in writing executed by Unitholders holding more than 66?% of the outstanding Units at any time (the "**Written Resolution**") is as valid as if such resolution had been passed at a meeting of Unitholders duly called and convened; which Written Resolution will approve, among other things, the Threshold Amendment and the Notice Amendment and any Compulsory Acquisition or Subsequent Acquisition Transaction undertaken in accordance therewith, as applicable;

(g) if the Filer decides not to pursue either the Compulsory Acquisition or the Subsequent Acquisition Transaction in the manner described above, the Filer reserves the right, to the extent permitted by applicable law, to purchase additional Units in the open market or in privately negotiated transactions or otherwise, or take no further action to acquire additional Units, or acquire Calpine's assets by way of an arrangement, amalgamation, merger, reorganization, consolidation, recapitalization, redemption or other transaction involving the Filer, the Harbinger Funds and/or any of their respective subsidiaries and Calpine and/or its subsidiaries. Alternatively, the Filer may sell or otherwise dispose of any or all Units acquired pursuant to the Bid;

(h) notwithstanding Section 10.8 of the Declaration of Trust, in certain circumstances the Legislation requires that the Compulsory Acquisition or the Subsequent Acquisition Transaction, as applicable, be approved at a meeting of Unitholders called for that purpose;

(i) to effect either a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable, the Filer will obtain minority approval, as that term is defined in the Legislation, calculated in accordance with the terms of Section 8.2 of AMF Policy Q-27, and Section 8.2 of OSC Rule 61-501 (the "Minority Approval"), albeit not at a meeting of Unitholders, but by Written Resolution; and

(j) the offer and take-over bid circular provided to Unitholders in connection with the Bid will contain all disclosure required by applicable securities laws, including without limitation the take-over bid provisions and form requirements of the securities legislation in the Jurisdictions and the provisions of OSC Rule 61-501 relating to the disclosure required to be included in information circulars distributed in respect of business combinations.

Decision

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

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

"Naizam Kanji"
Manager
Ontario Securities Commission

2.1.14 RBC Dominion Securities Inc. et al. - MRRS Decision

Mutual Reliance Review System for Exemptive Relief Applications – offering of corporate strip securities; exemption granted from the eligibility requirements of National Instrument 44-102 Shelf Distributions and National Instrument 44-101 Short Form Prospectus Distributions to permit the filing of a shelf prospectus and prospectus supplements qualifying for distribution strip residuals, strip coupons and strip packages to be derived from debt obligations of Canadian corporations, trusts or partnerships; exemption also granted from the requirements that the prospectus contain a certificate of the issuer and that it incorporate by reference documents of the underlying issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 58(1).

Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44- 102 Shelf Distributions.

December 18, 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 (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC.,
BMO NESBITT BURNS INC.,
CIBC WORLD MARKETS INC.,
NATIONAL BANK FINANCIAL INC.,
SCOTIA CAPITAL INC.
AND TD SECURITIES INC. (THE FILERS)

AND

IN THE MATTER OF
THE CARS AND PARS PROGRAMME™
OF THE FILERS

MRRS DECISION DOCUMENT

Background

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

1. an exemption from Section 2.1 of National Instrument 44-102 *Shelf Distributions* and Section 2.1 of National Instrument 44-101 *Short Form Prospectus Distributions* so that a Prospectus can be filed by the Filers to renew the CARS and PARS Programme and offer Strip Securities in the Jurisdictions; and

2. a decision under the Legislation that the following requirements shall not apply in respect of any Underlying Issuer whose Underlying Obligations are purchased by any one or more of the Filers on the secondary market, and Strip Securities derived therefrom and sold under the CARS and PARS Programme:

   (a) the requirements of the Legislation that the Prospectus contain a certificate of the issuer; and

   (b) the requirements of the Legislation that the Prospectus incorporate by reference documents of an Underlying Issuer (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. In this decision:

CARS™ means strips coupons and strips residuals.

CARS and PARS Programme™ means the strip bond product programme of the Filers to be offered by Prospectus.

CDS means CDS Clearing and Depository Services Inc.

NI 44-101 means National Instrument 44-101 Short Form Prospectus Distributions.

NI 44-102 means National Instrument 44-102 Shelf Distributions.

Offering Date means the time of the closing of the discrete offering in respect of the related Strip Securities.

PARS™ means par adjusted rate strips, comprising an entitlement to receive the principal amount of, and a portion, equal to a market rate (at the time of issuance of thereof) of the interest payable under the Underlying Obligations.

Participants means participants in the depository system of CDS.

Prospectus means a short form prospectus which is a base shelf prospectus together with the appropriate prospectus supplements.

SEDAR means the System for Electronic Document Analysis and Retrieval.

Strip Coupons mean separate components of interest derived from an Underlying Obligation.

Strip Packages means packages of Strip Securities, including packages of Strip Coupons and packages of PARS.

Strip Residuals means separate components of principal derived from an Underlying Obligation.

Strip Securities means separate components of interest, principal or combined principal and interest components derived from Underlying Obligations and sold under the CARS and PARS Programme, including Strip Residuals, Strip Coupons and Strip Packages.

Underlying Issuers mean Canadian corporate, trust and/or partnership issuers.

Underlying Obligations mean publicly-issued debt obligations of Underlying Issuers, which obligations will carry an "approved rating" as such term is defined in NI 44-101 at the Offering Date.

Underlying Obligations Prospectus means a prospectus for which a receipt was issued by the securities regulatory authorities in British Columbia, Alberta, Ontario and Quebec.

Representations

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

1. The Filers propose to continue to operate the CARS and PARS Programme;

2. The CARS and PARS Programme will continue to be operated by purchasing, on the secondary market, Underlying Obligations of Underlying Issuers, and deriving separate components therefrom, being Strip Residuals, Strip Coupons, and/or Strip Packages;

3. The relevant Underlying Issuer will, to the best of the knowledge of each Filer participating in the relevant offering under the CARS and PARS Programme, be eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date;

4. The Underlying Obligations will have been distributed under a prospectus for which a receipt was granted by the regulator in British Columbia, Alberta, Ontario, and Quebec;

5. A single short form base shelf prospectus will be established for the renewed CARS and PARS Programme as a whole, with a separate series of Strip Securities being offered under a discrete prospectus supplement for each distinct series or class of Underlying Obligations;

6. It is expected that the Strip Securities will continue to be predominantly sold to retail customers;

7. It is expected that the Filers, or certain of them, will continue to periodically identify, as demand indicates, series of outstanding debt obligations of Canadian corporations or trusts and will purchase and "repackage" individual series of these for sale under the CARS and PARS Programme as discrete series of Strip Securities. In purchasing the Underlying Obligations and creating the Strip Securities, the Filers will not enter into any agreement or other arrangements with the Underlying Issuers;

8. The Prospectus will refer purchasers of the Strip Securities to the SEDAR website maintained by CDS (currently located at www.sedar.com) where they can obtain the continuous disclosure materials of the Underlying Issuer;

9. The Filers, or certain of them, may, from time to time, form and manage a selling group consisting of other registered securities dealers to solicit purchases of, and sell to the public, the Strip Securities;

10. The Strip Securities will be sold in series, each such series relating to separate Underlying Obligations of an Underlying Issuer. The base shelf prospectus for use with the CARS and PARS Programme will describe the CARS and PARS Programme in detail. The shelf prospectus supplement for any series of Strip Securities that are offered will describe the specific terms of the Strip Securities;

11. Each offering of Strip Securities will be derived from one or more Underlying Obligations of a single class or series of an Underlying Issuer. The Filer(s) participating in each offering under the

CARS and PARS Programme intend to separate the Underlying Obligations for such series into separate principal and interest components, or strip bonds. These components will, in connection with each series, be re-packaged if and as necessary to create the Strip Securities;

12. The Strip Residuals of a particular series, if any, will consist of the entitlement to receive payments of a portion of the principal amounts payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;

13. The Strip Coupons of a particular series will consist of the entitlement to receive a payment of a portion of the interest payable under the Underlying Obligations, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;

14. The Strip Packages will consist of the entitlement to receive (a) in the case of PARS, both payments of a portion of the principal amounts payable and periodic payments of a portion equal to a market rate (at the time of issuance of the PARS) of the interest payable under the Underlying Obligations, and/or (b) in the case of packages consisting of Strip Coupons, periodic payments of portions of the interest payable, or the principal amounts payable, under the Underlying Obligations, in each case, if, as and when paid by the Underlying Issuer on the Underlying Obligations, in accordance with their respective terms;

15. Holders of a series of Strip Securities will be entitled to payments from cash flows from the related Underlying Obligations if, as and when made by the respective Underlying Issuer. The Strip Securities of one series will not be entitled to receive any payments from the cash flows of Underlying Obligations related to any other series. As the Underlying Issuers will be the sole obligors under the respective Underlying Obligations, holders of Strip Securities will be entirely dependent upon the Underlying Issuers' ability to perform their respective obligations under their respective Underlying Obligations;

16. The Strip Securities will be sold at prices determined by the Filers from time to time and, as such, these may vary as between purchasers of the same series and during the offering period of Strip Securities of the same series. In quoting a price for the Strip Securities, the Filers will advise the purchaser of the annual yield to maturity thereof based on such price;

17. The Underlying Issuers will not receive any proceeds, and the Filers will not be entitled to be paid any fee or commission by the Underlying Issuers, in respect of the sale by the Filers or the members of any selling group of the Strip Securities. Each Filer's overall compensation will be increased or decreased by the amount by which the aggregate price paid for a series of the Strip Securities by purchasers exceeds or is less than the aggregate price paid by such Filer for the related Underlying Obligations;

18. The maturity dates of any particular series of Strip Coupons and the interest component of Strip Packages will be coincident with the interest payment dates for the Underlying Obligations for the Series, with terms of up to 30 years or longer. The maturity date of a particular series of Strip Residuals and the principal component of Strip Packages, if any, will be the maturity date of the Underlying Obligations for the series;

19. The Strip Securities will be issuable in Canadian and U.S. dollars and in such minimum denomination(s) and with such maturities as may be described in the applicable shelf prospectus supplement;

20. The Underlying Issuers will be Canadian, corporations, trusts or partnerships. The Underlying Obligations are securities of the Underlying Issuers. The Strip Securities will be derived without regard, except as to ratings and eligibility to file a short form prospectus under NI 44-101, for the value, price, performance, volatility, investment merit or creditworthiness of the Underlying Issuers historically or prospectively;

21. To be eligible for inclusion in the CARS and PARS Programme, the Underlying Obligations must have been qualified for distribution under a prospectus for which a receipt was issued by the regulators in British Columbia, Alberta, Ontario and Quebec, at least four months must have passed from the date of closing of the original issue of the relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations must be complete;

22. The Filers will cause all Underlying Obligations from which the Strip Securities will be derived and which are not already in the CDS system to be delivered to CDS and registered in the name of CDS. The Underlying Obligations from which the Strip Securities will be derived will, except in very limited circumstances, be held by CDS until their maturity and will not otherwise be released or removed from the segregated account used by CDS to maintain the Underlying Obligations. A separate security identification number or ISIN will be assigned by CDS to each series of Strip Securities;

23. Pursuant to the operating rules and procedures of its CDSX Procedures and User Guide, or any

successor operating rules and procedures, CDS will maintain book based records of ownership for the Strip Securities, entering in such records only the names of Participants. No purchaser of Strip Securities will be entitled to any certificate or other instrument from the Underlying Issuer, the Filers or CDS evidencing the Strip Securities or the ownership thereof, and no purchaser of Strip Securities will be shown on the records maintained by CDS except through the book entry account of a Participant. Upon the purchase of Strip Securities, the purchaser will receive only the customary confirmation slip that will be sent to such purchaser by one of the Filers or another Participant;

24. Transfers of beneficial ownership in Strip Securities will be effected through records maintained for Strip Securities by CDS or its nominee (with respect to interests of Participants) and on the records of Participants (with respect to interests of persons other than Participants). Beneficial holders who are not Participants, but who desire to purchase, sell or otherwise transfer beneficial ownership of, or any other interest in, such Strip Securities of a series, may do so only through Participants;

25. Payments in respect of a principal component (if any), interest component(s) (if any), or other amounts (if any) owing under a series of Strip Securities will be made from payments received by CDS in respect of the related Underlying Obligations from the relevant Underlying Issuer. Amounts payable on the maturity of the Strip Securities will be payable by the Underlying Issuer to CDS as the registered holder of the Underlying Obligations. Following receipt thereof, CDS will pay to each of its Participants shown on its records as holding matured Strip Securities the amount to which such Participant is entitled. The Filers will, and the Filers understand that each other Participant, who holds such Strip Securities on behalf of a purchaser thereof will, pay or otherwise account to such purchaser for the amounts received by it in accordance with the instructions of the purchaser to such Participant. Holders of a series of Strip Securities will not have any entitlement to receive payments under any Underlying Obligations acquired in connection with the issue of any other series of Strip Securities;

26. As the registered holder of the Underlying Securities, CDS will receive any voting rights in respect of the Underlying Obligations for the Strip Securities. CDS will allocate these rights to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of the voting rights based on the "proportionate economic interest", determined as to be described in the base shelf prospectus for use with the CARS and PARS Programme. Such voting rights will be vested on a series by series basis. In order for a holder of Strip Securities to have a legal right to attend a meeting of holders of Underlying Obligations, or to vote in person, such holder of Strip Securities must be appointed as proxyholder for the purposes of the meeting by the CDS Participant through whom he or she holds Strip Securities;

27. In the event that an Underlying Issuer repays a callable Underlying Obligation prior to maturity in accordance with its terms, CDS will allocate the amount of proceeds it receives as the registered holder of the Underlying Obligations to the holders of the Strip Securities in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures currently provide for the distribution of proceeds on the repayment of a callable Underlying Obligation based on the "proportionate economic interest"; and

28. Any other entitlements received by CDS with respect to the Underlying Obligations upon the occurrence of an event other than in respect of maturity, including entitlements on the insolvency or winding-up of an Underlying Issuer, the non-payment of interest or principal when due, or a default of the Underlying Issuer under any trust indenture or other agreement governing the Underlying Obligations, will be processed by CDS in accordance with the operating rules and procedures of its CDSX Procedures and User Guide, or any successor operating rules and procedures, in effect at the time. These procedures also currently provide for CDS to distribute the resulting cash and/or securities to the holders of the Strip Securities based on "proportionate economic interest". In addition, if the Underlying Issuer offers an option to CDS as the registered holder of the Underlying Obligations in connection with the event, the Filers understand that CDS will attempt to offer the same option to the holders of the Strip Securities, where feasible.

Decision

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

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

1. The Underlying Obligations were qualified for distribution under the Underlying Obligations Prospectus, at least four months have passed from the date of closing of the original issue of the

relevant class or series of Underlying Obligations and the distribution of the Underlying Obligations is complete;

2. If the Underlying Obligations Prospectus is not available through the SEDAR website, the prospectus supplement for the series of Strip Securities derived from the Underlying Obligations for which the prospectus is not available states that a copy of the Underlying Obligations Prospectus may be obtained, upon request, without charge, from each Filer who is participating in the offering of the series of Strip Securities derived from these Underlying Obligations;

3. To the best of the knowledge of the Filer(s) participating in a relevant offering under the CARS and PARS Programme, the relevant Underlying Issuer is eligible to file a short form prospectus under NI 44-101 (whether such eligibility results from the specific qualification criteria of NI 44-101 or from the granting of an exemption from those criteria) at the Offering Date;

4. A receipt issued for the Prospectus issued in reliance on this Decision Document is not effective after February 18, 2009;

5. The offering and sale of the Strip Securities complies with all the requirements of NI 44-102 and NI 44-101 as varied by NI 44-102, other than those from which an exemption is granted by this Decision Document or from which an exemption is granted in accordance with Part 11 of NI 44-102 by the securities regulatory authority or regulator in each of the Jurisdictions as evidenced by a receipt for the Prospectus;

6. The Filers issue a press release and file a material change report in respect of:

   (a) a material change to the CARS and PARS Programme which affects any of the Strip Securities other than a change which is a material change to an Underlying Issuer; and

   (b) a change in the operating rules and procedures of the CDSX Procedures and User Guide of CDS, or any successor operating rules and procedures in effect at the time, which may have a significant effect on a holder of Strip Securities; and

7. The Filers file the Prospectus, the material change reports referred to above, and all documents related thereto on SEDAR under a SEDAR profile for the Strip Securities and pay all filing fees applicable to such filings.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.2 Orders

2.2.1 Thomas Hinke

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

AND

IN THE MATTER OF
THOMAS HINKE

ORDER

WHEREAS on November 7, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing accompanied by a Statement of Allegations issued by Staff of the Commission pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Thomas Hinke;

AND WHEREAS on December 8, 2006, the Commission held a hearing to consider preliminary matters and set a date for the hearing on the merits and for a sanctions hearing, if required;

AND WHEREAS the Respondent asked for an adjournment in order to be given a reasonable opportunity to seek and retain counsel and for other reasons;

AND WHEREAS Staff of the Commission submitted that it is in the public interest for the Commission to hear this matter as soon as possible;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS HEREBY ORDERED THAT:

This matter is set down peremptorily for a hearing on the merits commencing on Wednesday, February 14, 2007 at 10:00 a.m., or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties.

A sanctions hearing, if required, is set down peremptorily commencing on Wednesday, February 28, 2007 at 10:00 a.m., or as soon thereafter as may be fixed by the Secretary to the Commission and agreed to by the parties..

DATED at Toronto this 13th day of December, 2006.

"Paul M. Moore"

"David L. Knight"

2.2.2 ProShare Advisors LLC - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-adviser not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions. Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 – Non-Resident Advisers made under the Securities Act (Ontario).

Statutes Cited

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

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

AND

IN THE MATTER OF

ROSHARE ADVISORS LLC

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of ProShare Advisors LLC (**ProShares**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that ProShares and its members, officers and representatives be exempt from the registration requirements of clause 22(1)(b) of the CFA with respect to the investment advice to be provided by ProShares on a sub-advisory basis to exchange traded funds (each an **ETF**);

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

AND UPON ProShares having represented to the Commission that:

1. ProShares is a limited liability company organized under the laws of the State of Maryland, U.S.A. Its head office is located in Bethesda, Maryland.

2. ProShares is currently registered as an investment adviser with the U.S. Securities and Exchange Commission (**SEC**) and is exempted from registration with the U.S. Commodities Futures Trading Commission (**CFTC**).

3. ProShares is in the process of negotiating a sub-advisory investment management agreement (the **Agreement**) with the adviser of the ETFs, Jove Investment Management Inc. (**Jove**), and BetaPro Management Inc. (**BetaPro**), the manager and trustee of the ETFs. As the sub-adviser to the ETFs, ProShares will provide investment advice to the ETFs with respect to derivative instruments including commodity futures contracts and related products that trade on commodity futures exchanges (the **Proposed Advisory Services**).

4. ProShares currently advises 12 exchange traded funds in the United States which employ similar investment strategies to the ETFs.

5. Jove is registered under the *Securities Act* (Ontario) (the **Act**) as an adviser in the categories of investment counsel and portfolio manager and as a commodity trading counsel and commodity trading manager under the CFA.

6. Each ETF will be an open-ended exchange traded fund established under the laws of Ontario.

7. Each ETF will be a “mutual fund” as defined in subsection (1) of the Act and a “commodity pool” as defined in subsection 1(1) of National Instrument 81-104.

8. Jove will be responsible for providing investment advice to the ETFs and will be responsible for the investment advice provided to the ETFs by ProShares.

9. Pursuant to the terms of the Agreement, Jove will be responsible for any loss arising out of the failure of ProShares to:

   (a) exercise its powers and discharge its duties honestly, in good faith and in the best interests of the ETFs; or

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

   (collectively, the **Standard of Care**), which responsibility cannot be waived.

10. ProShares will only provide the Proposed Advisory Services to the ETFs provided Jove is registered as an adviser in the categories of investment counsel and portfolio manager under the Act and as a commodity trading counsel and commodity trading manager under the CFA.

11. The offering documents of the ETFs will disclose that Jove will be responsible for ProShares’ investment advice and, to the extent applicable, there may be difficulty in enforcing any legal rights against ProShares as it is resident outside of Canada and all or a substantial portion of its assets are situated outside of Canada.

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest for the Commission to grant the requested relief;

IT IS ORDERED pursuant to section 80 of the CFA that ProShares, its members, officers and representatives are exempt from the registration requirements of clause 22(1)(b) of the CFA with respect to the Proposed Advisory Services to be provided by ProShares to the ETFs, provided that:

(a) Jove is registered the under the Act as an adviser in the categories of investment counsel and portfolio manager and as a commodity trading counsel and commodity trading manager under the CFA;

(b) ProShares is registered as an investment adviser with the SEC and is exempted from registration with the CFTC;

(c) the obligations and duties of ProShares are set out in the Agreement with Jove;

(d) Jove, pursuant to the Agreement, has agreed to be responsible for any loss that arises out of the failure of ProShares to meet the Standard of Care;

(e) Jove, pursuant to the Agreement, cannot be relieved for any loss that arises out of the failure of ProShares to meet the Standard of Care; and

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

December 15, 2006

"Susan Wolburgh Jenah"

"David L. Knight"

2.2.3 Research In Motion Limited - s. 144

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 INSIDERS OF
RESEARCH IN MOTION LIMITED
(BEING THE PERSONS AND COMPANIES LISTED
IN SCHEDULE "A" HERETO)

ORDER
(Section 144)

WHEREAS on November 7, 2006, the Ontario Securities Commission (the "Commission") made an Order (the "MCTO") under paragraphs 2 and 2.1 of subsection 127(1) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"), that all trading in and acquisition of securities, whether direct or indirect, by the persons and companies listed in Schedule "A" in the securities of Research In Motion Limited ("RIM") cease until two full business days following the receipt by the Commission of all filings RIM is required to make pursuant to Ontario securities law;

AND WHEREAS the MCTO required that, if the Commission has not received by December 18, 2006 all filings RIM is required to make pursuant to Ontario securities laws, RIM will appear before the Commission with a report on the status of its continuous disclosure obligations;

AND WHEREAS RIM announced on December 8, 2006 that it expects to file its financial statements for the second and third quarters of fiscal 2007 and any historical restatements prior to its fiscal year end of March 3, 2007;

AND WHEREAS a hearing was held before the Commission on the 18th day of December, 2006 for RIM to report on the status of its continuous disclosure obligations;

AND UPON reviewing written submissions of RIM and hearing submissions from counsel to RIM, counsel to RIM's audit committee and Staff of the Commission;

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

IT IS ORDERED pursuant to section 144 of the Act, that the MCTO shall continue in accordance with its terms, provided that, if the Commission has not received by March 5, 2007 all filings RIM is required to make pursuant to Ontario securities laws, RIM will appear before the Commission with a report on the status of its continuous disclosure obligations.

DATED at Toronto, this 18th day of December, 2006.

"Wendell S. Wigle"
Ontario Securities Commission

"Carol S. Perry"
Ontario Securities Commission

Schedule "A"

Asthana, Atul
Balsillie, James Laurence
Bawa, Frenny
Bawa, Karima
Bidulka, Brian
Bose, Robert
Boudreau, Jesse Joseph
Broughall, Peter
Brown, Wade
Caci, Joe
Castell, William David
Conlee, Larry
Cork, Edwin Kendall
Cort, Gary
Costanzo, Rito Natale
Crow, Robert Eric
Davies, William Aubrey
Devenyi, Peter John
Dikun, Raymond Michael
Donald, Paul David
Ebbs, Edel Bridget Anne
Efstathiou Jr., Chris
Eggberry, Charmaine
Estill, James
Fregin, Douglas Edgar
Gagne, Alain
Gould, Peter James
Guibert, Mark
Hind, Hugh Robert Faulkner
Hoddle, Ian James
Jarmuszewski, Perry
Kavelman, Dennis
Kempf, Paul Hans
Labrador, Christopher
Landry, Richard
Lazaridis, Michael
LeBlanc, Anthony Dale
Lewis, Allan
Lo, Norm Wai Keung
Loberto, Angelo
Maybee, Bradley Warren
McAndrews, Mike Patrick
McDowell, Jeffrey Wayne
McLennan, Craig Arthur
Miller, Deborah Glee
Morrison, Donald
Morrissey, Michael Paul
Neumann, Ronald Scott
Pacey, Dean Leslie
Panezic, Alan Tom
Payne, Susan
Pecen, Mark Edward
Periyalwar, Suresh
Pillar, Catherine Jean
Richardson, John
Rivers, Brian Thomas
Robinson, Clint
Roe Pfeifer, Mary Elizabeth Anne
Rooks, Michael
Sanchez, Tom Carl
Spence, Patrick Alexander

Tendler, Benson
Werezak, David
Witteveen, Roger
Wright, Dr. Douglas
Yach, David
1258700 Ontario Limited
1258701 Ontario Limited
1258702 Ontario Limited

2.2.4 Canadian Trading and Quotation System Inc. (CNQ) – s. 147 of the Act and s. 15.1 of NI 21-101

Headnote

Section 147 of the Act and Section 15.1 of NI 21-101 – exemption granted, for 2006 and 2007 with respect to the Horizon System, from the requirement in CNQ's recognition order and National Instrument 21-101, respectively, to cause an independent systems review and report to be performed.

Ontario Statutory Provisions Cited

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

Rule Cited

National Instrument 21-101 Marketplace Operation, ss. 12.1(b) and 15.

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

AND

IN THE MATTER OF
CANADIAN TRADING AND QUOTATION SYSTEM INC.

ORDER
(Section 147 of the Act and
Section 15.1 of National Instrument 21-101)

WHEREAS Canadian Trading and Quotation System Inc. ("CNQ") has filed an application dated November 8, 2006 (the "Application") to the Ontario Securities Commission (the "Commission") requesting an order pursuant to section 147 of the Act exempting CNQ, with respect to its Horizon trading system (the "Horizon System"), from section 7(b) of the Commission order dated May 7, 2004 recognizing CNQ as a stock exchange (the "Recognition Order") for the years 2006 and 2007;

AND WHEREAS CNQ has in the application also applied to the Director under section 15 of National Instrument 21-101 *Marketplace Operation* ("NI 21-101") for an order exempting CNQ from paragraph 12.1(b) of NI 21-101 with respect to the Horizon System for the years 2006 and 2007;

AND WHEREAS section 7(b) of the Recognition Order and section 12.1(b) of NI 21-101 require CNQ to annually cause an independent review and written report, in accordance with established audit procedures and standards (ISR), of CNQ's controls for ensuring it is in compliance with requirements in the Recognition Order and NI 21-101 to maintain capacity and integrity of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements, which includes the Horizon System;

AND WHEREAS CNQ has represented to the Commission and the Director that

1. currently, CNQ operates two markets on two different trading systems: the CNQ listed market uses the Horizon system, and Pure Trading, an alternative market for trading securities listed on other exchanges, uses X-Stream trading software (X-stream system);

2. CNQ intends to decommission the Horizon System and migrate securities traded on the Horizon System to its X-Stream system in 2007;

3. CNQ's current trading and order entry volumes in the CNQ listed market are less than 1% of the current design and peak capacity of the Horizon System and CNQ has not experienced any failure of the Horizon System;

4. CNQ is a start-up marketplace and the cost of an ISR would represent a significant portion of CNQ's revenue from trading fees;

5. the Horizon System is monitored 24 hours a day, 7 days a week to ensure that all components continue to operate and remain secure;

6. on a reasonably frequent basis, and in any event, at least annually, CNQ

   (i) makes reasonable current and future capacity estimates for the Horizon System;

   (ii) conducts capacity stress tests of the Horizon System to determine the ability of the Horizon System to process transactions in an accurate, timely and efficient manner;

   (iii) develops and implements reasonable procedures to review and keep current the development and testing methodology of the Horizon System; and

   (iv) reviews the vulnerability of the Horizon System and data centre computer operations to internal and external threats including physical hazards, and natural disasters;

7. CNQ has established disaster recovery and business continuity plans covering all foreseeable contingencies; and

8. CNQ has completed a management review and written report of the Horizon System and of its controls for ensuring it will continue to comply with these representations and has provided a copy of the report to staff of the Commission;

AND WHEREAS the Commission and the Director have received certain other representations and undertakings from CNQ in connection with the Application;

AND WHEREAS based on the Application and the representations and undertakings made to the Commission and the Director, the Commission is satisfied that granting an exemption from section 7(b) of the Recognition Order with respect to the Horizon System would not be prejudicial to the public interest;

AND WHEREAS based on the Application and the representations and undertakings made to the Commission and the Director, the Director is satisfied that granting an exemption from paragraph 12.1(b) of NI 21-101 with respect to the Horizon System would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that, pursuant to section 147 of the Act, CNQ is exempted from the requirements of section 7(b) of the Recognition Order with respect to the Horizon System for the years 2006 and 2007;

AND IT IS HEREBY ORDERED by the Director that pursuant to section 15.1 of NI 21-101 CNQ is exempted from the requirements of paragraph 12.1(b) of NI 21-101 with respect to the Horizon System for the years 2006 and 2007;

PROVIDED THAT:

1. CNQ shall promptly notify the Commission of any material failures of and changes to the Horizon System and of any failure to comply with the representations set out herein.

2. CNQ shall in 2007 and 2008 complete updated management reviews of the Horizon System and of its controls for ensuring it continues to comply with the representations set out herein and shall prepare written reports of its reviews which shall be filed with staff of the Commission no later than January 30, 2007 and January 30, 2008 or 30 days after the decommissioning of the Horizon system, whichever occurs first.

DATED December 19, 2006

"Carol Perry"
"Paul M. Moore"
"Randee B. Pavalow"

2.2.5 Peter Sabourin et al. - s. 127(7)

**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.

**ORDER
(Section 127(7))**

WHEREAS on December 7, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to sections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c.S.5., as amended, that all trading in securities by and 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. (the "Respondents") cease, and that any exemptions contained in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS on December 7, 2006, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS the respondents Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, and Sabourin and Sun Inc. have consented to a continuation of the Temporary Order;

AND UPON HEARING submissions from counsel for Staff of the Commission and from counsel for Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye and Sabourin and Sun Inc., no one appearing for Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.;

AND WHEREAS the Respondents have undertaken to keep investors advised of the Temporary Order through notices to be displayed prominently on each of the home pages of websites operated by the Respondents, including www.nickelandsun.com, www.sabourinandsun.com and www.camdetontrading.com, until June 14, 2007 or further order of the Commission;

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

IT IS ORDERED THAT:

1. the Temporary Order is continued until June 14, 2007 or until further order of the Commission;

2. Sandra Delahaye is permitted to trade in securities for her own account or for the account of a registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act* (Canada)) in which she has legal and beneficial ownership and interest on the conditions that she do so only through her accounts 59E-74OR-O or 59E-74ON-O at Raymond James Ltd., in her name only, and that she provide monthly statements for both accounts to Staff of the Commission; and

3. W. Jeffrey Haver is permitted to trade in securities for his own account or for the account of a registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act (*Canada)) in which he has legal and beneficial ownership and interest on the conditions that he do so only through his accounts 258108519 at GRS Securities Inc. or 555-32965 at Scotia McLeod Direct Investing, a division of Scotia Capital Inc., in his name only, and that he provide monthly statements for both accounts to Staff of the Commission.

DATED at Toronto this 20th day of December 2006.

"Wendell S. Wigle"

"Suresh Thakrar"

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
Fuel Cell Technologies Ltd.	04 Dec 06	15 Dec 06		19 Dec 06
Seven Evergreen Apartment Project	08 Dec 06	20 Dec 06		
VSM Medtech Ltd.	15 Dec 06	27 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

No Updates for the week ending December 20, 2006.

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		
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		
ONE Signature Financial Corporation	08 Dec 06	21 Dec 06			
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
Straight Forward Marketing Corporation	02 Nov 06	15 Nov 06	15 Nov 06		

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Chapter 5

Rules and Policies

5.1.1 Amendments to NI 21-101 Marketplace Operation, Forms 21-101F2 and 21-101F5, and Companion Policy 21-101CP, and NI 23-101 Trading Rules and Companion Policy 23-101CP

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	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
11/09/2006	3	Advantex Marketing International Inc. - Debentures	5,685,000.00	5,685,000.00
12/07/2006	1	Aizan Technologies Inc. - Common Shares	1,000,000.00	1,200,480.00
11/14/2006	2	Aozora Bank Ltd - Common Shares	16,074,000.00	3,000,000.00
11/30/2006	58	Arian Silver Corporation - Units	3,515,750.00	14,060,000.00
11/09/2006	12	Blackmont Capital Inc. - Units	2,849,625.00	759,900.00
12/04/2006	106	C2C inc. - Flow-Through Units	1,500,000.00	10,000,000.00
12/04/2006	113	C2C inc. - Units	455,000.00	4,550,000.00
12/04/2006	65	Canadian Resources House Limited - Units	6,300,000.00	7,000,000.00
12/04/2006	54	Canadian Resources House Limited - Units	5,600,000.00	3,500,000.00
11/30/2006 to 12/06/2006	26	Candente Resource Corp. - Common Shares	3,750,000.00	3,000,000.00
11/24/2006	14	Canterbury Park Capital L.P. - Limited Partnership Units	4,650,000.00	465.00
11/21/2006 to 11/23/2006	23	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,386,389.00	1,386,389.00
11/21/2006	32	CareVest First Mortgage Investment Corporation - Preferred Shares	4,179,556.00	4,179,556.00
11/21/2006	15	CareVest Second Mortgage Investment Corporation - Preferred Shares	1,137,831.00	1,137,831.00
11/30/2006	22	Centenario Copper Corporation - Common Shares	8,550,000.00	2,500,000.00
11/28/2006 to 11/29/2006	25	Chalk Media Corp. - Units	1,690,253.00	9,390,299.00
11/29/2006	27	Churchill Energy Inc. - Flow-Through Shares	4,000,000.00	3,200,000.00
11/29/2006	2	Complete Production Services, Inc. - Notes	3,982,300.00	3,500.00
12/05/2006	5	Consolidated Pacific Bay Minerals Ltd. - Flow-Through Units	250,000.00	1,000,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
11/30/2006	1	Cooper Pacific II Mortgage Investment Corporation - Common Shares	40,000.00	40,000.00
11/30/2006	49	Cypress Development Corp. - Common Shares	800,000.00	4,000,000.00
12/04/2006	3	Daniels Management Limited Partnership - Units	1,225,125.00	90.75
12/04/2006	23	Daniels Residential Limited Partnership - Units	9,625,265.00	N/A
08/31/2006 to 09/06/2006	2	DoveCorp Enterprises Inc. - Common Shares	0.00	1,671,429.00
08/23/2006	13	Endeavour Silver Corp. - Common Shares	2,028,105.16	671,558.00
11/28/2006	2	Energy Capital Partners I (Cayman), LP - Limited Partnership Interest	41,454,815.00	1.00
12/05/2006	18	Equigenesis 2006 Preferred Investment LP - Units	7,758,000.00	189.50
12/04/2006	26	First Gold Exploration Inc. - Common Shares	202,500.00	2,025,000.00
12/06/2006	14	Flying a Petroleum Ltd. - Units	872,550.00	2,493,000.00
11/17/2006	4	Fortune Minerals Limited - Common Shares	4,504,500.00	1,386,000.00
12/08/2006	1	Galaxy Monthly Income Fund - Units	50,000.00	5,235.60
12/06/2006	21	Galway Resources Ltd. - Units	5,000,000.00	6,250,000.00
11/28/2006	1	Genesis Trust - Notes	400,000,000.00	1.00
11/28/2006	1	Granite Master Issuer plc - Notes	350,000,000.00	1.00
11/24/2006 to 12/01/2006	12	Green Breeze Energy Systems Inc. - Common Shares	330,000.00	165,000.00
09/18/2006	11	Greentree Gas & Oil Ltd. - Flow-Through Shares	179,278.98	302,209.00
11/30/2006	8	Human Resource Systems Group Ltd. - Preferred Shares	195,000.00	1,226,415.00
11/30/2006 to 12/05/2006	31	IGW Properties Limited Partnership I - Limited Partnership Units	1,627,940.00	1,627,940.00
09/13/2006	15	International Kirkland Minerals Inc. - Units	430,550.00	5,000,000.00
12/05/2006	79	Iteration Energy Ltd. - Common Shares	12,075,000.00	2,300,000.00
11/28/2006	4	KBSH Private - Balanced Registered Fund - Units	1,303,781.13	127,460.50
11/28/2006	5	KBSH Private - Canadian Equity Fund - Units	466,000.00	25,646.48

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
11/28/2006	2	KBSH Private - Canadian Equity Value Fund - Units	86,000.00	8,322.85
11/28/2006	2	KBSH Private - Fixed Income Fund - Units	132,000.00	12,713.09
11/28/2006	2	KBSH Private - Global Value Fund - Units	143,000.00	14,392.11
11/28/2006	2	KBSH Private - Special Equity Fund - Units	28,000.00	1,089.37
11/28/2006	2	KBSH Private - U.S. Equity Fund - Units	28,000.00	2,128.88
11/28/2006	2	KBSH Private International Equity Fund - Investor Master Custodial Certificate	57,000.00	5,089.74
12/01/2006	6	Magenta II Mortgage Investment Corporation - Common Shares	102,930.00	102,930.00
09/12/2006	7	Matamec Explorations Inc. - Common Shares	210,000.00	1,500,000.00
11/24/2006	4	Mavrix Strategic Small Cap Fund - Units	927.62	45.32
02/14/2006	32	Metalex Ventures Ltd. - Flow-Through Shares	1,660,095.60	2,372,993.71
10/31/2006 to 11/08/2006	10	Morgain Minerals Inc. - Units	702,567.10	2,341,890.00
12/11/2006	9	Mountain Boy Minerals Ltd. - Units	974,998.05	14,999,997.00
11/22/2006	13	Natural Convergence Inc. - Preferred Shares	8,054,990.81	62,623,374.00
10/16/2006	1	Neucel Specialty Cellulose Holdings LP - Units	5,000,028.00	8,787.00
09/08/2006	40	New Dimension Resources Ltd. - Units	675,000.00	2,700,000.00
11/24/2006 to 11/27/2006	5	Powertree Limited Partnership 2 - Units	75,000.00	15.00
11/28/2006	2	Real Estate Asset Liquidity Trust - Certificate	31,514,221.04	0.00
11/28/2006	1	Rezidor Hotel Group AB - Common Shares	572,204.81	70,000.00
12/01/2006	3	Rocmec Mining Inc. - Units	750,000.00	2,884,615.00
08/01/2006	1	Roxmark Mines Limited - Debentures	562,049.53	562,049.53
11/10/2006	2	Sally Holdings LLC - Notes	2,280,800.00	N/A
11/27/2006	35	Spirit AeroSystems Holdings, Inc. - Common Shares	15,733,600.00	534,974.50
12/04/2006	67	Spruce Ridge Resources Ltd. - Units	4,500,000.00	5,625,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
12/01/2006	21	Teuton Resources Corp. - Units	600,000.00	1,200,000.00
12/01/2006	101	UTS Energy Corporation - Common Shares	15,600,000.00	2,496,000.00
11/22/2006	36	U.S. Silver Corporation - Debentures	4,716,992.90	4,716,992.90
12/01/2006	105	Walton AZ Sunland Ranch Investment Corporation - Common Shares	2,144,590.00	214,459.00
12/01/2006	91	Walton AZ Sunland Ranch Limited Partnership - Units	5,034,035.94	439,002.00
07/31/2006	1	Whiterock Real Estate Investment Trust - Warrants	0.00	362,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bitumen Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated December 15, 2006
Mutual Reliance Review System Receipt dated December 18, 2006
Offering Price and Description:
$400,000.00 - 4,000,000 Common Shares
Price: $0.10
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
-
Project #1032073

Issuer Name:
Canada Dominion Resources 2007 Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$50,000,000.00 to $200,000,000 - 2,000,000 to 8,000,000 Limited Partnership Units
Price per Unit: $25.00
Minimum Subscription: $5,000.00 (200 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Canada Dominion Resources 2007 Corporation
Goodman & Company, Investment Counsel Ltd.
Project #1031235

Issuer Name:
Capital Global Discovery Fund
Capital Global Small Companies Fund
Capital International Large Companies Fund
Capital U.S. Large Companies Fund
Capital U.S. Small Companies Fund
Scotia Global Growth Fund
Scotia Total Return Fund
Scotia Young Investors Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 14, 2006 to Final Simplified Prospectuses and Annual Information Forms dated October 31, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Securities Inc.
Scotia Securities Inc.
Scotia Securites Inc.
Promoter(s):
The Bank of Nova Scotia,
Project #997126

Issuer Name:
Carlaw Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated December 15, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
MINIMUM OFFERING: $850,000.00 or 4,250,000 Common Shares
MAXIMUM OFFERING: $1,150,000.00 or 5,750,000 Common Shares
PRICE: $0.20 per Common Share
Agent's Option
Incentive Stock Options
Charitable Stock Options
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Amar Bhalla
Project #1031956

Issuer Name:
Claymore MACROshares Oil Down Holding Trust
Claymore MACROshares Oil Down Tradeable Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
* Claymore MACROshares Oil Down Holding Shares
* Claymore MACROshares Oil Down Tradeable Shares
Underwriter(s) or Distributor(s):
Claymore Investments, Inc.
Promoter(s):
-
Project #1030767

Issuer Name:
Claymore MACROshares Oil Up Holding Trust
Claymore MACROshares Oil Up Tradeable Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
* Claymore MACROshares Oil Up Holding Shares
* Claymore MACROshares Oil Up Tradeable Shares
Underwriter(s) or Distributor(s):
Claymore Investments, Inc.
Promoter(s):
Macro Securities Depositors, LLC
Project #1030769

Issuer Name:
Colabor Income Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
$25,001,250.00 - 2,825,000 Subscription Receipts, each representing the right to receive one Unit
$50,000,000.00 - 7.0% Extendible Convertible Unsecured Subordinated Debentures
Price: $8.85 per Subscription Receipt
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1031606

Issuer Name:
Colabor Income Fund
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated December 14, 2006 to Preliminary Short Form Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 18, 2006
Offering Price and Description:
$25,001,250.00 - 2,825,000 Subscription Receipts, each representing the right to receive one Unit
$50,000,000.00 - 7.0% Extendible Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1031606

Issuer Name:
Commerce Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
$ * Maximum - * Priority Equity Shares and * Class A Shares
Prices: $10.00 per Priority Equity Share and $10.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Bieber Securities Inc.
Blackmont Capital Inc.
Laurentian Bank Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Quadravest Capital Management Inc.
Project #1031695

Issuer Name:
Covington Venture Fund Inc.
Type and Date:
Preliminary Prospectus dated December 11, 2006
Receipted on December 13, 2006
Offering Price and Description:
CLASS A SHARES
Continuous Offering Price – net asset value per Class A Share, Series II and
net asset value per Class A Share, Series III
Minimum Subscription - $500 initially and $50 subsequently
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
Covington Group of Funds Inc.
Project #1030744

Issuer Name:
Horizons Advantaged Equity Fund Inc.
Type and Date:
Preliminary Prospectus dated December 15, 2006
Receipted on December 18, 2006
Offering Price and Description:
CLASS A SHARES
Offering Price per Class A Share, Series III
of the Fund - net asset value of the Class A Shares, Series III
Minimum Subscription - $1,000 initially and $500 subsequently
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
Project #1032065

Issuer Name:
Kaboose Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$25,000,000.00 - 10,000,000 Common Shares
Price: $2.50 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Sprott Securities Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1031096

Issuer Name:
MRF 2007 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
$25,000,000.00 to $200,000,000.00 - 1,000,000 to 8,000,000 Units
Price: $1000.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Blackmont Capital Inc.
Middlefield Capital Corporation
Desjardins Securities Inc.
Research Capital Corporation
Promoter(s):
MRF Resources Management Limited
Middlefield Group Limited
Project #1030584

Issuer Name:
MSP 2007 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
$10,000,000.00 to $75,000,000.00 - 400,000 to 3,000,000 Units
SUBSCRIPTION PRICE: $25.00
MINIMUM PURCHASE: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Wellington West Capital Inc.
Promoter(s):
MSP 2007 GP Inc.
Project #1030900

Issuer Name:
NCE Diversified Flow-Through (07) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated December 19, 2006
Mutual Reliance Review System Receipt dated December 19, 2006
Offering Price and Description:
$ * - * Limited Partnership Units
Subscription Price: $25 per Unit
Minimum Subscription: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Scotia Capital Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Jory Capital Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
Petro Assets Inc.
Project #1033087

Issuer Name:
NexGen Global Value Registered Fund
NexGen Global Value Tax Managed Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated December 15, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
Units and Shares
Underwriter(s) or Distributor(s):
NexGen Financial Limited Partnership
NexGen Financial Limited Partnership
Promoter(s):
NexGen Financial Limited Partnership
Project #1031892

Issuer Name:
Peerless Energy Inc.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
$17,500,000.00 - 5,000,000 Class A Shares
Price: $3.50 per Class A Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.
MGI Securities Inc.
GMP Securities L.P.
Scotia Capital Inc.
Haywood Securities Inc.
Promoter(s):
Wade Becker
Project #1031001

Issuer Name:
TD Global Equity Advantage Portfolio
TD Monthly High Income Fund
TD North American Dividend Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated December 13, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
Advisor and F-Series Units
Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor Series units)
Promoter(s):
TD Asset Management Inc.
Project #1031557

Issuer Name:
Temple Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Prospectus dated December 11, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
TRUST UNITS
$10,000,000.00 to $40,000,000 - * Trust Units Price: $ * per Trust Unit and 5 YEAR * % SERIES A CONVERTIBLE REDEEMABLE DEBENTURES in the Aggregate Principal Amount of Minimum 1,000,000 ($10,000,000.00) up to a Maximum of 2,000,000 ($20,000,000.00) $10.00 per Debenture TOTAL OFFERING: Minimum: $20,000,000.00; Maximum: $60,000,000.00
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
-
Project #1030958

Issuer Name:
The Toronto-Dominion Bank
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated December 18, 2006
Mutual Reliance Review System Receipt dated December 19, 2006
Offering Price and Description:
$8,000,000,000.00
Debt Securities (subordinated indebtedness)
Common Shares
Class A First Preferred Shares
Warrants to Purchase Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1032974

Issuer Name:
Wi-LAN Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$30,000,150.00 - 6,666,700 Common Shares
Price: $4.50 per Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Wellington West Capital Markets Inc.
Paradigm Capital Inc.
Haywood Securities Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1031298

Issuer Name:
AGF Canadian Bond Fund
AGF Global Government Bond Fund
AGF RSP Global Bond Fund
Principal Regulator - Ontario
Type and Date:
Amendment #5 dated December 6, 2006 to Annual Information Forms dated April 18, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
Mutual Fund Series, Series D, Series F an Series O Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #901498

Issuer Name:
Agnico-Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
US$500,000,000.00 - Debt Securities Common Shares Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1020020

Issuer Name:
Axia NetMedia Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
$20,350,000.00 - 5,500,000 Common Shares Price: $3.70 per Common Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.
Canaccord Capital Corporation
Haywood Securities Inc.
Promoter(s):
-
Project #1027791

Issuer Name:
Bissett Canadian Balanced Corporate Class
Bissett Corporate Bond Fund
Franklin Templeton Managed Corporate Yield Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Promoter(s):
-
Project #1014153

Issuer Name:
Brandes Sionna Canadian Balanced Fund (formerly Brandes Canadian Balanced Fund)
Brandes Canadian Equity Fund
Brandes Canadian Money Market Fund
Brandes Emerging Markets Equity Fund
Brandes Global Balanced Fund
Brandes Global Equity Fund
Brandes Global Small Cap Equity Fund
Brandes International Equity Fund
Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 4, 2006 to Final Simplified Prospectuses and Annual Information Forms dated June 15, 2006
Mutual Reliance Review System Receipt dated December 14, 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 #939737

Issuer Name:
Brookfield Properties Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
US$1,140,000,000.00 - 30,000,000 Common Shares Price: US$38.00 per Common Share
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
J.P. Morgan Securities Canada Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.,
Promoter(s):
-
Project #1029471

Issuer Name:
Cascades Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 13, 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:
EcuaGold Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 18, 2006
Offering Price and Description:
Minimum Offering: 8,000,000 Units ($4,000,000.00) ; Maximum Offering: 12,000,000 Units ($6,000,000.00) Price: $0.50 Per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Bolder Investment Partners, Ltd.
Promoter(s):
Anthony F. Ciali
Dana T. Jurika
Paul J. Grist
Project #1010404

Issuer Name:
First Uranium Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
Cdn.$203,000,000.00 - 29,000,000 Common Shares Price: Cdn.$7.00 per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
GMP Securities L.P.
Sprott Securities Inc.
Orion Securities Inc.
Raymond James Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
Simmer & Jack Mines, Limited
Project #1017030

Issuer Name:
Front Street Energy Growth Fund Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 16, 2006
Mutual Reliance Review System Receipt dated December 18, 2006
Offering Price and Description:
Class A shares, Series III
Underwriter(s) or Distributor(s):
-
Promoter(s):
TNG Canada/CWA Sponsor Inc.
Front Street Capital 2004
Project #1017257

Issuer Name:
Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$100,000,000.00 (10,000,000 Units) Maximum @ $10/Unit
$20,000,000.00 (2,000,000 Units) Minimum @ $10/Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Wellington West capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
GMP Securities L.P.
Promoter(s):
FrontierAlt Investment Management Corporation
Project #1011341

Issuer Name:
Great Western Diamonds Corp.
Principal Regulator - Saskatchewan
Type and Date:
Final Short Form Prospectus dated December 12, 2006
Mutual Reliance Review System Receipt dated December 13, 2006
Offering Price and Description:
Up to $4,500,000.00 Comprised of Up to 3,333,333 Units and up to 5,769,230 Flow-Through Shares
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
GMP Securities L.P.
National Bank Financial Inc.
Blackmont Capital Inc.
Promoter(s):
Great Western Minerals Group Ltd.
Project #1018344

Issuer Name:
GrowthWorks Canadian Fund Ltd. (fomerly GrowthWorks WV Canadian Fund Inc.)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 19, 2006
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
GrowthWorks Capital Ltd.
Promoter(s):
-
Project #1006357

Issuer Name:
HSBC AsiaPacific Fund
HSBC BRIC Equity Fund
HSBC Canadian Balanced Fund
HSBC Canadian Bond Fund
HSBC Canadian Money Market Fund
HSBC Chinese Equity Fund
HSBC Dividend Income Fund
HSBC Emerging Markets Fund
HSBC Equity Fund
HSBC European Fund
HSBC Global Equity Fund
HSBC Global Technology Fund
HSBC LifeMap Aggressive Growth Portfolio
HSBC LifeMap Balanced Portfolio
HSBC LifeMap Conservative Portfolio
HSBC LifeMap Growth Portfolio
HSBC LifeMap MM Agressive Growth Portfolio
HSBC LifeMap MM Balanced Portfolio
HSBC LifeMap MM Growth Portfolio
HSBC LifeMap MM Moderate Conservative Portfolio
HSBC LifeMap Moderate Conservative Portfolio
HSBC Monthly Income Fund
HSBC Mortgage Fund
HSBC Small Cap Growth Fund
HSBC U.S. Dollar Money Market Fund
HSBC U.S. Equity Fund
HSBC U.S. High Yield Bond Fund
HSBC World Bond RSP Fund
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectus and Annual Information Form dated December 16, 2006
Mutual Reliance Review System Receipt dated December 18, 2006
Offering Price and Description:
Investor Series, Advisor Series, Manager Series and Institutional Series Units @ Net Asset Value
Underwriter(s) or Distributor(s):
HSBC Investment Funds (Canada) Inc.
HSBC Investment Funds (Canada) Inc.
Promoter(s):
HSBC Investment Funds (Canada) Inc.
Project #1009169

Issuer Name:
Intrepid Mines Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 18, 2006
Mutual Reliance Review System Receipt dated December 19, 2006
Offering Price and Description:
Maximum Offering: $8,400,000.00 (12,000,000 Units); Minimum Offering: $4,900,000.00 (7,000,000 Units)
Price: $0.70 per Unit
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1014045

Issuer Name:
North American Palladium Ltd.
Type and Date:
Final Short Form Base Shelf Prospectus dated December 18, 2006
Receipted on December 19, 2006
Offering Price and Description:
58,621 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1028158

Issuer Name:
Primaris Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 14, 2006
Mutual Reliance Review System Receipt dated December 14, 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:
Sentry Select 40 Split Income Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$100,000,000.00 (Maximum) - 10,000,000 Preferred Securities @ $10/Securities
$100,000,000.00 (Maximum) - 10,000,000 Capital Units @ $10/Capital Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Wellington West Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Jory Capital Inc.
Research Capital Corporation
Promoter(s):
Sentry Select Capital Corp.
Project #1012062

Issuer Name:
Sonic Environmental Solutions Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$3,335,000.00 - 6,670,000 Common Shares and 6,670,000 Share Purchase Warrants to be issued upon the exercise of 6,670,000 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Salman Partners Inc.
Pacific International Securities Inc.
Promoter(s):
-
Project #1017556

Issuer Name:
sxr Uranium One Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 15, 2006
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
-
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:
Tajac Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 14, 2006
Offering Price and Description:
$225,000.00.00 - 1,500,000 COMMON SHARES ($0.15 per Common Share)
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Terry Rogers
Don Terry
Brent Atkinson
Ron Moller
Project #996623

Issuer Name:
Textron Financial Canada Funding Corp.
Principal Regulator - Nova Scotia
Type and Date:
Final MJDS Prospectus - dated December 13, 2006
Mutual Reliance Review System Receipt dated December 14, 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:
U3O8 Corp.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 15, 2005
Mutual Reliance Review System Receipt dated December 15, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Promoter(s):
Dr. Keith Barron
Project #1020922

Issuer Name:
Urbana Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 18, 2006
Mutual Reliance Review System Receipt dated December 19, 2006
Offering Price and Description:
$50,000,210.00 (Maximum Offering)
$20,000,270.00 (Minimum Offering)
A maximum of 16,129,100 Units and a minimum of 6,451,700 Units,
each comprised of One Non-Voting Class A Share
and one-half of one Non-Voting Class A Share Purchase Warrant
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #1026737

Issuer Name:
VentureLink Brighter Future Fund Inc.
Type and Date:
Final Prospectus dated December 15, 2006
Receipted on December 18, 2006
Offering Price and Description:
CLASS A SHARES, SERIES III,
CLASS A SHARES, SERIES IV AND CLASS A SHARES, SERIES VI
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
VentureLink LP
Project #1020351

Issuer Name:
VentureLink Diversified Income Fund Inc.
Type and Date:
Amendment #1 dated December 15, 2006 to Final Prospectus dated August 25, 2006
Receipted on December 18, 2006
Offering Price and Description:
(Class A Shares, Series III and Class A Shares , Series IV)
Underwriter(s) or Distributor(s):
VL Advisors Inc.
Promoter(s):
VentureLink LP
Project #979654

Issuer Name:
Verenex Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 13, 2006
Mutual Reliance Review System Receipt dated December 15, 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:
Canadian Closed-End Trust
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated November 8th, 2006
Withdrawn on December 15th, 2006
Offering Price and Description:
$ * - * Trust Units
Exchange Offer
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Navina Capital Corp.
Project #1013503

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspended as a Result of Resigning from Membership in the Mutual Fund Dealers Association of Canada	Bluestone Financial Corporation	Mutual Fund Dealer	December 12, 2006
New Registration	Pictet Asset Management Limited	International Adviser (Investment Counsel & Portfolio Manager)	December 13, 2006
New Registration	Bostonia Global Securities LLC	International Dealer	December 14, 2006
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	FBanx Securities Inc.	Mutual Fund Dealer	December 14, 2006
New Registration	Commonfund Securities Inc.	Limited Market Dealer	December 14, 2006
Voluntary Surrender of Registration	Harrington Lane Financial Corporation	Limited Market Dealer	December 15, 2006
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	First Asset Advisory Services Inc.	Investment Dealer	December 15, 2006
Consent to Suspension (*Rule 33-501 – Surrender of Registration)*	Albireo Asset Management Corp.	Limited Market Dealer and Investment Counsel & Portfolio Manager	December 18, 2006
New Registration	HarbourCastle Capital Inc.	Limited Market Dealer	December 19, 2006
New Registration	Nelson Investment Group Ltd.	Limited Market Dealer	December 19, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Sets Date for Donald Kenneth Coatsworth Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR DONALD KENNETH COATSWORTH HEARING IN TORONTO, ONTARIO

December 13, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Donald Kenneth Coatsworth by Notice of Hearing dated November 1, 2006.

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

The commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Central Regional Council on Wednesday, January 31, 2007 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

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

A copy of the Notice of Hearing is available on the MFDA 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 167 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Rules Relating to Strip Bond Monthly Reports Service

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS)

TECHNICAL AMENDMENTS TO CDS FORMS

STRIP BOND MONTHLY REPORTS SERVICE SUBSCRIPTION FORM

SERVICE USAGE STATEMENT

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

The Strip Bond Monthly Reports Service (the "Service"), previously offered by CDS INC., was transferred to CDS on November 1, 2006, as a consequence of the recent corporate restructuring of The Canadian Depository for Securities Limited. The proposed amendments to the Subscription Form and Service Usage Statement are made in order that the forms reflect the correct service provider.

In addition, the proposed amendments to the forms reflect the recent coming-into-force of CDS's Rule amendments respecting Intellectual Property.

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

http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open

Description of Proposed Amendments

Subscription Form

The proposed updated form is substantively similar to the Strip Bond Monthly Reports Service Subscription Form currently in use. The proposed form, however, is substantially more transparent with respect to the terms and conditions of Participants' use of the Service. Upon receipt of regulatory approval/non-disapproval, use of the current form will be discontinued.

First, the proposed amendments to the Subscription Form clarify that a CDS Participant wishing to receive the Service is subscribing to a service that is in addition to the core services that the Participant receives from CDS and provides a more detailed service description.

Second, the proposed amendments to the Subscription Form clarify that, in accordance with the intellectual property provisions of the CDS Participant Rules, additional users of the information must be from within the Participant's organization.

Third, the proposed amendments specify that the fees for use of the Service will be published in CDS's price lists and will be collected in accordance with CDS Participant Rules.

Fourth, in Section 4 of the Subscription Form, entitled *Authorized Use*, the proposed amendments detail the limitations on the use of the information received as part of the Service for the benefit of third parties, and note that any such use is governed by the intellectual property provisions of the CDS Participant Rules.

Finally, the proposed amendments clarify that CDS shall be entitled to rely on the Schedule of Authorized Users until such time as CDS receives an updated Schedule of such users from the Participant.

Service Usage Statement

In order more efficiently to manage its intellectual property within the scope of the CDS Participant Rules, the Service Usage Statement Form for the Service has been created. In order to assure compliance with the intellectual property provisions of the CDS Participant Rules, Participants subscribing to the Service will be required to detail their proposed use of the information provided as part of the Service.

The proposed form has been drafted to support compliance with CDS's Intellectual Property Rule and, as such, has no predecessor form.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they:

a) are consequential amendments intended to implement a material rule (the Intellectual Property Rules) that have already been published for comment; and

b) are required to ensure consistency and compliance with an existing Rule (Corporate Restructuring).

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the OSC Recognition and Designation Order, as amended November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that these amendments will be effective on January 1, 2007.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9
Telephone: 416-365-3768
Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.3 Notice of Commission Approval – Housekeeping Amendment to MFDA By-Law No. 1, Section 1 (Definitions – "Control")

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

HOUSEKEEPING AMENDMENT TO MFDA BY-LAW NO. 1

SECTION 1 (DEFINITIONS – "CONTROL")

Current By-law

Section 1 of By-law No.1 currently defines "control" or "controlled" in respect of a corporation by another person or by two or more corporations, to mean circumstances where:

(a) voting securities of the first-mentioned corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the Board of Directors of the first-mentioned corporation,

and where the Board of Directors orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the By-laws, Rules, Policies and Forms with respect to that Member.

Description of Amendment

The proposed amendment would delete the word "and" and replace it with the word "but" in the definition of "control" or "controlled" in section 1 of MFDA By-law No.1.

The amendment is housekeeping in nature in that it corrects a typographical error.

Reasons for Amendment

The proposed amendment is intended to correct a typographical error.

Effective Date

The amendment to By-law No. 1 will be effective on a date to be subsequently determined by the MFDA.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

MFDA By-law No. 1

On September 27, 2006 the Board of Directors of the Mutual Fund Dealers Association of Canada made and enacted the following amendment to MFDA By-law No. 1:

INTERPRETATION AND EFFECT

1. DEFINITIONS

"control" or **"controlled"**, in respect of a corporation by another person or by two or more corporations, means the circumstances where:

(a) voting securities of the first-mentioned corporation carrying more than 50% of the votes for the election of directors are held, other than by way of security only, by or for the benefit of the other person or by or for the benefit of the other corporations; and

(b) the votes carried by such securities are entitled, if exercised, to elect a majority of the Board of Directors of the first-mentioned corporation,

~~and~~ but where the Board of Directors orders that a person shall, or shall not, be deemed to be controlled by another person, then such order shall be determinative of their relationships in the application of the By-laws, Rules, Policies and Forms with respect to that Member;

13.1.4 MFDA Notice – Housekeeping Amendment To MFDA By-law No. 1 Section 1 (Definitions)

MFDA NOTICE – HOUSEKEEPING AMENDMENT TO MFDA BY-LAW NO. 1 SECTION 1 (DEFINITIONS)

Current By-law

The preamble of section 1 of By-law No.1 provides a list of definitions, which are intended to apply to the interpretation of the MFDA By-law, Rules and Policies. However, the preamble, as currently drafted, does not expressly reference MFDA Rules and Policies.

Reasons for Amendment

The proposed amendment is intended to expressly clarify that the definitions provided in section 1 of By-law No.1 apply to MFDA Rules and Policies as well as to the By-law. The proposed amendments will clarify the MFDA's intention for consistent application of definitions in the MFDA By-law, Rules and Policies.

Description of Amendment

The proposed amendment would add the phrase "and in the Rules and Policies" after the reference to "By-law" in the preamble of section 1 of MFDA By-law No.1.

The amendment is housekeeping in nature in that it involves the correction of a drafting oversight.

Effective Date

The amended section of By-law No. 1 will be effective on a date to be subsequently determined by the MFDA.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

MFDA By-law No. 1

On September 27, 2006 the Board of Directors of the Mutual Fund Dealers Association of Canada made and enacted the following amendment to MFDA By-law No. 1:

INTERPRETATION AND EFFECT

1. DEFINITIONS

In this By-law and in the Rules and Policies, unless the context otherwise specifies or requires:

13.1.5 MFDA Notice – Housekeeping Amendments to MFDA Rule 1.2.4 (Currency of Courses)

MFDA NOTICE – HOUSEKEEPING AMENDMENTS TO MFDA RULE 1.2.4 (CURRENCY OF COURSES)

Current Rule

MFDA Rules 1.2.1(a), 1.2.2(a) and 1.2.3(b) specify the courses and examinations that salespersons, branch managers and trading partners, directors, officers and compliance officers must successfully complete. Rule 1.2.4 currently provides an exemption to these course and examination requirements if the individual was registered/licensed under the applicable securities legislation in the same category within three years of the relevant time for qualification, or if the individual successfully completed the course or examination within three years of the relevant time for qualification.

Reasons for Amendments

The first proposed amendment to Rule 1.2.4 would clarify the application of the Rule by modifying its language. The objective of Rule 1.2.4 is to ensure that an individual's industry knowledge remains relevant and current. Accordingly, the Rule is intended to require individuals to either successfully complete the required courses and examinations within three years of the relevant time for qualification or to have been registered/licensed under applicable securities legislation in the equivalent category within three years of the relevant time for qualification. However, Rule 1.2.4, as currently drafted, refers to the term "exempt" with respect to the requirement to complete courses and examinations, which creates confusion. The proposed amendment is intended to clarify the application of the Rule and relate the three-year currency requirement directly to the proficiency requirements.

The second proposed amendment would provide MFDA staff with the ability to consider whether individuals who do not meet the requirements under Rule 1.2.4(a) (i) and (ii) have met the objective of ensuring that their proficiency remains current by other means. MFDA staff has received several applications for exemptive relief from Rule 1.2.4, which have been considered to date by the Regulatory Issues Committee of the MFDA Board of Directors. These types of applications are typically routine, straightforward matters which are considered at the staff level at the securities commission. MFDA staff is of the view that these types of matters do not require the attention and resources of the Regulatory Issue Committee and would be more appropriately considered by MFDA staff.

Description of Amendments

The first proposed amendment would remove the reference to the term "exempt" and redraft the Rule to accommodate the language modification.

The second proposed amendment would add the phrase "within three years of the relevant time for qualification or such longer period as the Corporation may determine if it is satisfied based on the individual's experience that his or her knowledge and proficiency remains relevant and current" after reference to the proficiency requirements of the Rule.

The proposed amendments are housekeeping in nature in that they are intended to (i) eliminate confusion arising from the current language of the Rule; and (ii) relate to changes to procedures and administrative practices of the MFDA and do not impose any significant burden or barrier to competition that is not appropriate.

Comparison with Similar Provisions

The amendments would harmonize the Rule with similar requirements under provincial securities legislation.

Effective Date

The amended Rule will be effective on a date to be subsequently determined by the MFDA.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

MFDA Rule 1.2.4 (Currency of Courses)

On September 27, 2006, the Board of directors of the Mutual Fund Dealers Association of Canada made and enacted the following housekeeping amendments to Rule 1.2.4:

(a) For the purposes of ~~An individual shall be exempt from taking any of the courses or writing the examinations required under~~ Rules 1.2.1(a), 1.2.2(a) or 1.2.3(b)~~: if the individual:~~

(i) the courses or examinations must have been successfully completed; or

(ii) the individual must have been registered/licensed under applicable securities legislation in the equivalent category;

within three years of the relevant time for qualification or such longer period as the Corporation may determine if it is satisfied based on the individual's experience that his or her knowledge and proficiency remains relevant and current.

~~(a) was registered/licensed under applicable securities legislation in the same category within three years of the relevant time for qualification; or~~

~~(b) successfully completed the course or examination within three years of the relevant time for qualification;~~

(b) Notwithstanding ~~provided that despite~~ subsections (a)~~ and (b)~~, if an individual completes a course for which another course is a prerequisite, the course which is a prerequisite need not have been completed within the three year period.

13.1.6 MFDA Hearing Panel issues Decision and Reasons respecting Dale Michael Graveline Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES
DECISION AND REASONS RESPECTING
DALE MICHAEL GRAVELINE DISCIPLINARY HEARING

December 20, 2006 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on November 10 and 27, 2006 in respect of Dale Michael Graveline.

The Hearing Panel found that the following allegations set out by MFDA staff in the Notice of Hearing dated July 6, 2006, summarized below, had been established:

> Allegation #1: Between April 2003 and April 2005, Mr. Graveline misappropriated the sum of $45,500, more or less, from several mutual fund clients and thereby failed to deal fairly, honestly and in good faith with his clients, contrary to MFDA Rule 2.1.1.
>
> Allegation #2: Commencing May 2005, Mr. Graveline failed to provide a report in writing and produce banking records requested by the MFDA in the course of an investigation, contrary to section 22.1 of MFDA By-law No. 1.

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

1. Mr. Graveline is permanently prohibited from conducting securities related business in any capacity;
2. Mr. Graveline shall pay a fine in the amount of $50,000 for misappropriation of client funds;
3. Mr. Graveline shall pay a fine in the amount of $50,000 for failure to cooperate with the MFDA in the course of an investigation; and
4. Mr. Graveline shall pay costs attributable to conducting the investigation and prosecution of this matter in the amount of $7,500.

A copy of the Decision and Reasons 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 164 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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

Chapter 25

Other Information

25.1 Consents

25.1.1 Impax Venture Fund Inc. - s. 4(b) of the Regulation

Headnote

Consent given to an OBCA Corporation to continue under the laws of Canada.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Canada Business Corporations Act, R.S.C. 1985, c. C-44, as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, ss. 4(b).

December 8, 2006

IN THE MATTER OF
ONT. REG. 289/00 (THE "REGULATION")
MADE UNDER THE
BUSINESS CORPORATION ACT,
R.S.O. 1990, c. B.16

AND

IN THE MATTER OF
IMPAX VENTURE FUND INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Impax Venture Fund Inc. ("**Impax**") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for Impax to continue in 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 Impax having represented to the Commission that:

1. Impax is proposing to submit an application to the Director under the *Business Corporations Act* (Ontario) (the "**OBCA**") pursuant to section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a corporation under the *Canada Business Corporations Act* (the "**CBCA**").

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

3. Impax was incorporated under the OBCA by articles of incorporation dated November 1, 2002, which were amended by articles of amendment dated December 18, 2003 and November 25, 2005. The head office of Impax is located at 181 Bay Street, BCE Place, Suite 3740, Toronto, Ontario.

4. The authorized capital of the Corporation consists of an unlimited number of Class A Shares, issuable in series, and an unlimited number of Class B Shares. As of September 30, 2006, there were approximately 143,743 Class A Shares, Series I, 26,626 Class A Shares, Series II, 14,505 Class A Shares, Series III and 100 Class B Shares issued and outstanding.

5. Impax 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**"). Impax intends to remain a reporting issuer in Ontario and will likely become a reporting issuer in other jurisdictions as a result of the amalgamation in which it intends to participate.

6. Impax is not in default under any provision of the Act or the regulations of the Act, nor under the securities legislation of any jurisdiction where it is a reporting issuer.

7. Impax is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

8. The Application for Continuance of Impax is to be approved by the shareholders of Impax by special resolution at the Annual and Special Meeting of shareholders (the "**Meeting**") scheduled to be held on December 7, 2006.

9. Pursuant to the Section 185 of the OBCA, all shareholders of record as of the record date for the Meeting are entitled to dissent rights with respect to the Application for Continuance (the "**Dissent Rights**").

10. The management information circular which will be dated on or about October 20, 2006 (the

"**Circular**") will be provided to all shareholders in connection with the Meeting and will advise the shareholders of Impax of their Dissent Rights.

11. The principal reason for the Application for Continuance is to allow Impax to participate in an amalgamation transaction which would provide it and its shareholders with considerable benefits, as more particularly described in the Circular. In brief, Impax and Impax Venture Income Fund Inc., another labour sponsored investment fund managed by the same manager, are proposing to amalgamate pursuant to section 181 of the CBCA and continue thereafter by operation of law as one labour-sponsored venture capital corporation and as one labour sponsored investment fund that is governed by the CBCA, the *Community Small Business Investment Funds Act* (Ontario) and the *Income Tax Act* (Canada). In order to participate in such an amalgamation transaction, Impax would have to be granted the consent to continue into the federal jurisdiction.

12. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of Impax as a corporation under the *Canada Business Corporations Act*.

"Harold P. Hands"

"Paul M. Moore"

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