

The Ontario Securities Commission

# OSC Bulletin

May 18, 2007

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

**The Ontario Securities Commission**

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## Chapter 1

# Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

**MAY 18, 2007**

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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

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

### SCHEDULED OSC HEARINGS

May 18, 2007 **Sterling Centrecorp Inc. and SCI Acquisition Inc.**

8:30 a.m.

s. 104(1)

P. Foy in attendance for Staff

Panel: LER/HPH/CSP

May 22, 2007 **Nortel Networks Corporation and Nortel Networks Limited**

11:00 a.m.

s. 127 and 127.1

K. Daniels in attendance for Staff

Panel: WSW/

May 22, 2007 **Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)**

2:00 p.m.

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: ST/DLK

May 23, 2007 **John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services**

10:00 a.m.

s. 127 and 127.1

S. Horgan in attendance for Staff

Panel: RLS/DLK/MCH

May 28, 2007 **Jose Castaneda**

10:00 a.m.

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: WSW/DLK

June 5, 2007 10:00 a.m.	<b>Certain Directors, Officers and Insiders of Research In Motion Limited</b>  s. 144  J.S. Angus in attendance for Staff  Panel: JEAT/CSP	July 5, 2007 11:30 a.m.	<b>Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas</b>  s. 127  M. MacKewn in attendance for Staff  Panel: WSW/DLK
June 14, 2007 10:00 a.m.	<b>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.</b>  s. 127 and 127.1  Y. Chisholm in attendance for Staff  Panel: WSW/DLK/ST	July 9, 2007 10:00 a.m.	<b>*AiT Advanced Information Technologies Corporation, *Bernard Jude Ashe and Deborah Weinstein</b>  s. 127  K. Manarin in attendance for Staff  Panel: TBA  * Settlement Agreements approved February 26, 2007
June 18, 2007 10:00 a.m.	<b>Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney</b>  s. 127 and 127.1  J. Superina in attendance for Staff  Panel: TBA	October 9, 2007 10:00 a.m.	<b>John Daubney and Cheryl Littler</b>  s. 127 and 127.1  A. Clark in attendance for Staff  Panel: TBA
June 21, 2007 10:00 a.m.	<b>Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers*</b>  s. 127 and 127.1  P. Foy in attendance for Staff  Panel: WSW/CSP  * Settled April 4, 2006	October 12, 2007 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA
July 5, 2007 10:00 a.m.	<b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b>  s. 127 & 127.1  P. Foy in attendance for Staff  Panel: WSW/MCH	October 22, 2007 10:00 a.m.	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA

October 29, 2007 10:00 a.m.	<b>Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>	TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>
	S. 127		s. 127
	A. Sonnen in attendance for Staff		J. Waechter in attendance for Staff
	Panel: TBA		Panel: TBA
November 12, 2007 10:00 a.m.	<b>Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson</b>	TBA	<b>*Philip Services Corp. and Robert Waxman</b>
	s.127		s. 127
	J. Superina in attendance for Staff		K. Manarin/M. Adams in attendance for Staff
	Panel: TBA		Panel: TBA
December 10, 2007 10:00 a.m.	<b>Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans</b>		Colin Soule settled November 25, 2005
	s. 127 & 127(1)		Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006
	H. Craig in attendance for Staff		* Notice of Withdrawal issued April 26, 2007
	Panel: TBA		
TBA	<b>Yama Abdullah Yaqeen</b>	TBA	<b>First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman</b>
	s. 8(2)		s. 127
	J. Superina in attendance for Staff		D. Ferris in attendance for Staff
	Panel: TBA		Panel: WSW/ST/MCH
TBA	<b>John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir</b>	TBA	<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>
	s. 127 & 127.1		s.127
	K. Manarin in attendance for Staff		K. Daniels in attendance for Staff
	Panel: TBA		Panel: TBA
TBA	<b>Euston Capital Corporation and George Schwartz</b>	TBA	<b>Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels</b>
	s. 127		s. 127 and 127.1
	Y. Chisholm in attendance for Staff		D. Ferris in attendance for Staff
	Panel: TBA		Panel: TBA

TBA                    **Land Banc of Canada Inc., LBC  
Midland I Corporation, Fresno  
Securities Inc., Richard Jason  
Dolan, Marco Lorenti and Stephen  
Zeff Freedman**

s. 127

H. Craig in attendance for Staff

Panel: TBA

1.1.2    **Patrick Gouveia et al.**

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

**AND**

**IN THE MATTER OF  
PATRICK GOUVEIA, ANDREW PETERS,  
RONALD PERRYMAN AND PAUL VICKERY**

**NOTICE OF WITHDRAWAL**

**WHEREAS** on June 2, 2004, the Ontario Securities Commission issued a Notice of Hearing with attached Statement of Allegations of Staff pursuant to section 127 of the *Securities Act* in respect of Patrick Gouveia, Andrew Peters, Ronald Perryman and Paul Vickery;

**TAKE NOTICE** that Staff of the Commission withdraw the allegations against the respondent, Patrick Gouveia, as of May 11, 2007.

**FILED** at the Ontario Securities Commission at Toronto this 11th day of May, 2007

"Josée Turcotte"

Per: John Stevenson  
Secretary to the Commission

**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**

**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**



1.2 Notices of Hearing

1.2.1 Nortel Networks Corporation and Nortel Networks Limited - 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  
NORTEL NETWORKS CORPORATION  
AND NORTEL NETWORKS LIMITED

NOTICE OF HEARING  
(Section 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, at the offices of the Commission, 20 Queen Street West, 17th Floor, Main Hearing Room, Toronto, Ontario, commencing on the 22nd day of May, 2007 at 11:00 a.m. or as soon thereafter as the hearing can be held:

**TO CONSIDER** whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission ("Staff") and Nortel pursuant to sections 127 and 127.1 of the Act;

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

**AND TAKE FURTHER NOTICE** that any party to the proceeding may be represented by counsel at the hearing;

**AND TAKE FURTHER NOTICE** that upon 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 16th day of May, 2007.

"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  
NORTEL NETWORKS CORPORATION  
AND NORTEL NETWORKS LIMITED  
(collectively, "Nortel")

STATEMENT OF ALLEGATIONS OF STAFF  
OF THE ONTARIO SECURITIES COMMISSION

**A. The Respondents**

1. Nortel Networks Corporation ("NNC") is a reporting issuer in Ontario and its shares are listed on both the Toronto and New York stock exchanges under the symbol "NT".
2. Nortel Networks Limited ("NNL") is the principal direct operating subsidiary of NNC. NNL is a reporting issuer in Ontario and its preferred shares are listed on the Toronto Stock Exchange under the symbol "NTL". All of NNL's issued and outstanding common shares are held by NNC.
3. The principal executive offices of NNC and NNL (collectively referred to herein as "Nortel" or the "Company") are located in Toronto, Ontario.

**B. Overview of Allegations**

4. The conduct at issue relates to Nortel's financial results for the fiscal year ended December 31, 2000, the third and fourth quarters of 2002 and the first and second quarters of 2003. These time periods are referred to herein individually as the "Relevant Fiscal Periods" and collectively as the "Material Time".
5. All dollar amounts referred to herein, unless otherwise stated, are in U.S. dollars and, unless otherwise stated, all references to financial results are to Nortel Networks Corporation's results reported in its consolidated financial statements for the relevant period prepared under generally accepted accounting principles ("GAAP") in the United States ("U.S. GAAP").
6. For each of the Relevant Fiscal Periods, each of NNC and NNL prepared and filed with the Commission two sets of financial statements which were represented to have been prepared either in accordance with U.S. GAAP or GAAP in Canada ("Canadian GAAP"), as the case may be.
7. Sections 77 and 78 of the *Securities Act*, R.S.O., 1990, c. S.5, as amended (the "Act") direct that all financial statements filed with the Commission must be prepared in accordance with Canadian GAAP. Moreover, all financial statements and

material filed with the Commission must not be misleading or untrue or omit a fact which would render it misleading.

8. Staff allege that Nortel filed financial statements with the Commission during the Material Time that were not prepared in accordance with Canadian GAAP and therefore such filings were contrary to sections 77 and 78 of the Act.
9. Staff further allege that Nortel made representations in its financial statements filed with the Commission for each of the relevant fiscal periods that such financial statements had been prepared in accordance with Canadian GAAP or U.S. GAAP, as the case may be, and that such statements were materially misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statement not misleading, and thereby acted contrary to the public interest.
10. Staff further allege that the inappropriate provisioning and revenue recognition practices described herein, that were found by the Independent Review or the Revenue Independent Review (as defined below) to have occurred, were contrary to the public interest.

**C. Overview of Facts Alleged**

11. During the Material Time, the emphasis by former members of Nortel's senior corporate finance management on meeting revenue and/or earnings targets led to a culture within the finance organization of Nortel that condoned two types of inappropriate accounting practices (described in paragraphs 13 and 14 below), which did not comply with applicable GAAP and were contrary to the public interest.
12. Further, during the Material Time, Nortel failed to implement appropriate internal controls and procedures to identify, monitor, control and fully disclose the accounting practices described in paragraphs 13 and 14 below, which failure was contrary to the public interest.

**(i) Revenue Recognition**

13. During the 2000 fiscal year, former Nortel senior corporate finance management inappropriately changed Nortel's accounting policies several times either to recognize revenue prematurely or to defer the recognition of revenue to a subsequent period. After changing internal accounting policies, these same senior corporate finance managers did not understand the relevant U.S. GAAP requirements, misapplied these U.S. GAAP requirements and, in certain circumstances, "turned a blind eye" to these U.S. GAAP requirements. As a result, revenue was recognized for numerous transactions for the fiscal

year ended December 31, 2000 in a manner not in accordance with U.S. GAAP. This conduct was driven by the need to close the gap between actual and targeted revenue and earnings.

**(ii) Provisioning**

14. During the third and fourth quarters of 2002 and the first and second quarters of 2003, former Nortel corporate and finance management endorsed, and finance employees carried out, accounting practices relating to the recording and release of certain accrued liabilities and provisions that were not in accordance with U.S. GAAP or Canadian GAAP. In three of those four quarters, these practices were undertaken to meet internally imposed pro forma earnings before taxes targets. While the dollar amount of most of the individual provisions was relatively small, the aggregate value of the provisions made the difference between a profit and a loss, on a pro forma basis, in the fourth quarter of 2002 and the difference between a loss and a profit, on a pro forma basis, in the first and second quarters of 2003. The pro forma calculation was used by the Company to make its determination on whether to award various bonuses under bonus plans that provided for payments tied to a pro forma profitability metric.

15. As a result of these practices and internal control deficiencies, Nortel was required to restate its publicly disclosed U.S. GAAP and Canadian GAAP financial statements for the Relevant Fiscal Periods and other fiscal periods as described herein.

**D. The Restatements**

**(i) First Restatement**

16. In May 2003, Nortel commenced certain balance sheet reviews at the direction of certain former members of management that led to a review and analysis of the Company's assets and liabilities (the "Balance Sheet Review").
17. The objectives of the Balance Sheet Review were reported to be to: (i) identify balance sheet accounts that, as at June 30, 2003, were not supportable and required adjustment; (ii) determine whether such adjustments related to the third quarter of 2003 or prior periods; and (iii) document certain account balances in accordance with Nortel's accounting policies and procedures.
18. The Balance Sheet Review was supplemented by additional procedures carried out between July and November 2003 to quantify the effects of potential adjustments and review the appropriateness of releases of certain contractual liability and other related provisions (also called accruals, reserves or accrued liabilities) in the six

fiscal quarters ending with the fiscal quarter ended June 30, 2003.

19. The Balance Sheet Review, as supplemented, resulted in the restatement (effected in December 2003) of Nortel's consolidated financial statements for the years ended December 31, 2002, 2001 and 2000 and for the quarters ended March 31, 2003 and June 30, 2003 (the "First Restatement").

20. The net effect of the adjustments made to NNC's financial statements in the First Restatement was a reduction in accumulated deficit of \$497 million, \$178 million and \$31 million as at December 31, 2002, 2001 and 2000, respectively. Among the adjustments made as part of the First Restatement, approximately \$935 million and \$514 million of certain liabilities (primarily accruals and provisions) carried on NNC's previously reported consolidated balance sheet as at December 31, 2002 and 2001, respectively, were released to income in prior periods.

21. On December 23, 2003, each of NNC and NNL filed with the United States Securities and Exchange Commission (the "SEC") its amended Annual Report on Form 10-K/A for the year ended December 31, 2002 and amended Quarterly Reports on Form 10-Q/A for the quarters ended March 31, 2003 and June 30, 2003 reflecting the First Restatement. On the same date, these same documents, together with the corresponding filings represented to have been prepared in accordance with Canadian GAAP, were filed with the Commission.

22. In conjunction with the First Restatement, Nortel's external auditors, Deloitte & Touche LLP ("D&T"), informed the Audit Committee that there were two "reportable conditions", each of which constituted a "material weakness" in Nortel's internal control over financial reporting (as such terms were formerly defined under standards established by the American Institute of Certified Public Accountants (the "AICPA"), which were applicable with respect to 2003). These reportable conditions, which were disclosed in NNC's and NNL's Quarterly Reports on Form 10-Q for the quarter ended September 30, 2003 filed with the SEC and the Commission in November 2003, were as follows:

- (i) lack of compliance with established Nortel procedures for monitoring and adjusting balances relating to certain accruals and provisions, including restructuring charges; and
- (ii) lack of compliance with established Nortel procedures for appropriately applying U.S. GAAP to the initial recording of certain liabilities, including those described in Statement of Financial

Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies" ("SFAS No. 5"), and to foreign currency translation as described in SFAS No. 52, "Foreign Currency Translation" ("SFAS No. 52").

These material weaknesses contributed to the need for the First Restatement.

**(ii) Independent Review**

23. In late October 2003, the Audit Committees of the Boards of Directors of NNC and NNL (collectively, the "Audit Committee") initiated an independent review of the facts and circumstances leading to the First Restatement (the "Independent Review"), and engaged the law firm Wilmer Cutler Pickering Hale and Dorr LLP ("WilmerHale") to advise it in connection with the Independent Review. WilmerHale retained Huron Consulting Services LLC ("Huron") to provide expert accounting assistance.

24. Through the Independent Review, the Audit Committee sought to gain a full understanding of the events that caused significant excess liabilities to be maintained on Nortel's balance sheet that needed to be restated, and to recommend that the Boards of Directors of NNC and NNL (collectively, the "Board") adopt, and direct management to implement, necessary remedial measures to address personnel, controls, compliance and discipline.

25. The Independent Review focused initially on events relating to the establishment and release of contractual liability and other related provisions in the second half of 2002 and the first half of 2003, including the involvement of the Company's senior corporate leadership. As the review evolved, its focus was broadened to include specific provisioning activities in each of the Company's business units and geographic regions and was expanded to include provisioning activities in the third and fourth quarters of 2003.

26. Based on periodic reports by WilmerHale on the progress of the Independent Review, the Audit Committee recommended, and the Board approved, the termination for cause in April 2004 of Frank Dunn ("Dunn"), the Company's former President and Chief Executive Officer, Douglas Beatty ("Beatty"), the Company's former Chief Financial Officer, and Michael Gollogly ("Gollogly"), the Company's former Controller, and in August 2004 of seven additional senior finance employees with significant responsibility for Nortel's financial reporting as a whole or for their respective business units and geographic regions.

27. In January 2005, the Audit Committee reported to the Board the findings of the Independent Review

as set forth in a document entitled "Summary of Findings and of Recommended Remedial Measures of the Independent Review" submitted to the Audit Committee by WilmerHale and Huron (the "Independent Review Summary"). The Audit Committee adopted the findings of the Independent Review and the recommended remedial measures set forth in the Independent Review Summary in their entirety. The Independent Review Summary was appended, in its entirety, to a press release issued by Nortel on January 11, 2005 and filed with the Commission and was reproduced, in its entirety, in NNC's and NNL's Annual Reports on Form 10-K for the year ended December 31, 2003 (collectively, the "2003 Annual Report") filed with the SEC and the Commission in January 2005.

28. The Independent Review concluded that former corporate management (who had been terminated for cause) and former finance management in Nortel's Finance organization (who had also been terminated for cause) endorsed, and employees carried out, accounting practices relating to the recording and release of provisions that were not in compliance with U.S. GAAP in at least four quarters, including the third and fourth quarters of 2002 and the first and second quarters of 2003. In three of those four quarters – when Nortel was at, or close to, break even – these practices were undertaken to meet internally imposed pro forma earnings before taxes ("EBT") targets. While the dollar value of most of the individual provisions was relatively small, the aggregate value of the provisions made the difference between a profit and a reported loss, on a pro forma basis, in the fourth quarter of 2002 and the difference between a loss and a reported profit, on a pro forma basis, in the first and second quarters of 2003. This conduct caused Nortel to report a loss in the fourth quarter of 2002 and to pay no employee bonuses, and to achieve and maintain profitability in the first and second quarters of 2003, which, in turn, caused it to pay bonuses to all Nortel employees and significant bonuses to senior management under bonus plans tied to a pro forma profitability metric.

29. The inappropriate accounting practices listed above related to the recording and release of provisions, also were not in compliance with Canadian GAAP.

30. At the request of the Audit Committee, the Independent Review Summary also set forth governing principles for remedial measures recommended by WilmerHale. The recommendations were directed at:

- (i) establishing standards of conduct to be enforced through appropriate discipline;

- (ii) infusing strong technical skills and experience into the Finance organization;
- (iii) requiring comprehensive, on-going training on increasingly complex accounting standards;
- (iv) strengthening and improving internal controls and processes;
- (v) establishing a compliance program throughout the Company which is appropriately staffed and funded;
- (vi) requiring management to provide clear and concise information, in a timely manner, to the Board to facilitate its decision-making; and
- (vii) implementing an information technology platform that improves the reliability of financial reporting and reduces opportunities for manipulation of results.

31. The Audit Committee recommended, and the Board approved, the adoption of all of the recommendations contained in the Independent Review Summary.

**(iii) Second Restatement**

32. As the Independent Review progressed, the Audit Committee directed Nortel's new corporate management to examine in depth the concerns identified by WilmerHale regarding provisioning activity. That examination, and other errors identified by management including errors relating to revenue recognition, led to the restatement of Nortel's financial statements for the years ended December 31, 2002 and 2001 and the quarters ended March 31, 2003 and 2002, June 30, 2003 and 2002 and September 30, 2003 and 2002 (the "Second Restatement"), and the revision of NNC's previously announced unaudited results for the year ended December 31, 2003.

33. Overall in the Second Restatement, as a result of adjustments to correct errors related to revenue recognition, NNC increased revenues by an aggregate of \$1.492 billion in 2001 and \$439 million in 2002. NNC also increased previously announced 2003 revenues by an aggregate of \$386 million. Most of these adjustments constituted the recognition of revenue that had previously been improperly recognized in prior years and should have been deferred (often over a number of years). This also had the effect of reducing previously reported revenues in 1998, 1999 and 2000 by approximately \$158 million, \$355 million and \$2.866 billion, respectively. Of these adjustments identified in the Second Restatement, approximately \$750 million of revenues was deferred to years after 2003, while

approximately \$250 million of revenues was permanently reversed.

34. Some of the adjustments related to errors involving issues in connection with arrangements known as "bill and hold" transactions, in which revenue is recognized before actual delivery of the product. During the Second Restatement process, Nortel management determined that the relevant U.S. GAAP accounting policy had been incorrectly applied to a number of contracts, and revenues had been recognized where the relevant criteria had not been fully met, and therefore deferred all revenues associated with bill and hold arrangements to subsequent periods. With respect to the fourth quarter of 2000, approximately \$1 billion of revenue was recognized incorrectly from bill and hold transactions which failed to meet the appropriate accounting guidance as set out in the SEC's Staff Accounting Bulletin 101, "Revenue Recognition in Financial Statements" ("SAB 101"). Subsequently, in the course of the Revenue Independent Review (as defined below), it was determined that former senior finance management, contrary to earlier advice received from D&T as to the criteria that should be met pursuant to SAB 101 in order to recognize revenue when delivery of product has not occurred, failed to ensure that bill and hold transactions be requested by the buyer in accordance with the guidance set out in SAB 101.

35. Over the course of the Second Restatement process, management and D&T identified a number of additional reportable conditions, each constituting a material weakness, in Nortel's internal control over financial reporting as at December 31, 2003. At the time of the Second Restatement, a total of six material weaknesses had been identified. The material weaknesses identified were:

- (i) lack of compliance with written Nortel procedures for monitoring and adjusting balances related to certain accruals and provisions, including restructuring charges and contract and customer accruals;
- (ii) lack of compliance with Nortel procedures for appropriately applying applicable GAAP to the initial recording of certain liabilities, including those described in SFAS No.5, and to foreign currency translation as described in SFAS No. 52;
- (iii) lack of sufficient personnel with appropriate knowledge, experience and training in U.S. GAAP and lack of sufficient analysis and documentation of the application of U.S. GAAP to

transactions, including, but not limited to, revenue transactions;

- (iv) lack of a clear organization and accountability structure within the accounting function, including insufficient review and supervision, combined with financial reporting systems that are not integrated and which require extensive manual interventions;
- (v) lack of sufficient awareness of, and timely and appropriate remediation of, internal control issues by Nortel personnel; and
- (vi) an inappropriate "tone at the top", which contributed to the lack of a strong control environment. As reported in the Independent Review Summary, there was a "[m]anagement 'tone at the top' that conveyed the strong leadership message that earnings targets could be met through application of accounting practices that finance managers knew or ought to have known were not in compliance with U.S. GAAP and that questioning these practices was not acceptable".

These material weaknesses contributed to the need for the Second Restatement.

**(iv) Revenue Independent Review**

36. In light of the magnitude of the Second Restatement adjustments to previously reported revenues, the Audit Committee directed a review of the facts and circumstances leading to the restatement of these revenues for specific transactions identified in the Second Restatement (the "Revenue Independent Review"), with a particular emphasis on the underlying conduct that led to the initial recognition of these revenues. The Revenue Independent Review also considered any appropriate additional remedial measures, including those involving internal controls and processes.

37. The Audit Committee engaged WilmerHale to advise it in connection with the Revenue Independent Review. WilmerHale retained Huron to provide expert accounting assistance.

38. The Revenue Independent Review focused principally on transactions that accounted for approximately \$3.0 billion of the \$3.4 billion in restated revenue from the Second Restatement, with a particular emphasis on transactions that accounted for approximately \$2.6 billion in the fourth quarter of 2000.

39. The Revenue Independent Review found that, in an effort to meet internal and external targets, Nortel's senior corporate finance management team changed the Company's accounting policies several times during 2000, either to defer revenue out to a subsequent period or pull revenue into the current period. After changing internal accounting policies, senior corporate finance management did not understand the relevant U.S. GAAP requirements, misapplied these U.S. GAAP requirements, and in certain circumstances, "turned a blind eye" to these U.S. GAAP requirements. As a result, the Revenue Independent Review concluded that Nortel recognized revenue for numerous transactions with disregard for the proper accounting and this conduct was driven by the need to close revenue and earnings gaps.
40. The findings of the Revenue Independent Review were presented to the Audit Committee and the Board and disclosed in NNC's and NNL's amended Annual Reports on Form 10-K/A for the year ended December 31, 2005 (collectively, the "2005 Annual Report") filed with the SEC and the Commission. As disclosed in the 2005 Annual Report, the first five of the six material weaknesses in Nortel's internal control over financial reporting described in paragraph 35 continued to exist as at December 31, 2005 (as the term "material weakness" is now defined under standards established by the United States Public Company Accounting Oversight Board (the "PCAOB")).

**E. Conclusions Respecting Conduct**

41. The filing by Nortel with the Commission of financial statements for each of the Relevant Fiscal Periods that did not comply with Canadian GAAP, as set out above, was contrary to sections 77 and 78 of the Act.
42. Nortel's representation in its financial statements filed with the Commission for each of the Relevant Fiscal Periods (and in its other continuous disclosure filings for the Relevant Fiscal Periods containing financial information derived from such financial statements) that such financial statements had been prepared in accordance with Canadian GAAP or U.S. GAAP, as the case may be, was materially misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statement not misleading, and was contrary to the public interest.
43. During the Material Time, Nortel failed to implement appropriate internal controls and procedures to identify, monitor and to fully disclose the accounting practices related to Provisioning and Revenue Recognition and such failure was contrary to the public interest.

**F. Conduct Contrary to the Public Interest**

44. Staff alleges that the conduct set out above violates Ontario securities law as specified and constitutes conduct contrary to the public interest.

1.4 Notices from the Office of the Secretary

1.4.1 Land Banc of Canada Inc. et al.

**FOR IMMEDIATE RELEASE**  
May 10, 2007

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

**AND**

**IN THE MATTER OF  
LAND BANC OF CANADA INC.,  
LBC MIDLAND I CORPORATION,  
FRESNO SECURITIES INC.,  
RICHARD JASON DOLAN, MARCO LORENTI,  
AND STEPHEN ZEFF FREEDMAN**

**TORONTO** – The Commission issued an Order today on consent extending the Temporary Order of May 8, 2007 against Fresno Securities Inc. and Stephen Zeff Freedman until the date of the Hearing in the above matter or until further order of the Commission.

A copy of the Order is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

1.4.2 Patrick Gouveia et al.

**FOR IMMEDIATE RELEASE**  
May 11, 2007

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

**AND**

**IN THE MATTER OF  
PATRICK GOUVEIA, ANDREW PETERS,  
RONALD PERRYMAN AND PAUL VICKERY**

**TORONTO** – Staff of the Ontario Securities Commission withdrew the allegations against the respondent Patrick Gouveia in the above matter today.

A copy of the Notice of Withdrawal is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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Manager, Public Affairs  
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416-593-8314  
1-877-785-1555 (Toll Free)

**1.4.3 Notice and Request for Comments Regarding the Proposed New Rules of Procedure of the Ontario Securities Commission**

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

**FOR IMMEDIATE RELEASE  
May 11, 2007**

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

**NOTICE AND REQUEST FOR COMMENTS  
REGARDING THE PROPOSED  
NEW RULES OF PROCEDURE OF THE  
ONTARIO SECURITIES COMMISSION**

**TORONTO** – Today, the Office of the Secretary of the Ontario Securities Commission is publishing for comment the proposed new *Rules of Procedure of the Ontario Securities Commission*, which will be adopted under the authority of section 25.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, to replace the current Rules of Practice (1997), 20 OSCB 1825. Once adopted, the Rules of Procedure will apply to proceedings before the Ontario Securities Commission where the Commission is required by law to hold a hearing.

A copy of the Notice and Request for Comments and the proposed new Rules of Procedure are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) under the heading Enforcement, Rules of Practice.

The Office of the Secretary invites interested persons to submit their comments on the proposed new Rules of Procedure in writing. Comments may be delivered in hard copy, fax or e-mail (if comments are not sent by e-mail, please forward an electronic version of the comments in MS Word format to the Secretary on CD) by 5:00 p.m. on July 10, 2007 to:

John P. Stevenson – Secretary to the Commission  
Ontario Securities Commission  
20 Queen Street West  
Suite 1900, Box 55  
Toronto, Ontario M5H 3S8  
Fax: (416) 593-2318  
E-mail: [jstevenson@osc.gov.on.ca](mailto:jstevenson@osc.gov.on.ca)

For further information, please contact:

Josée Turcotte – Independent Adjudicative Counsel and  
Deputy Secretary to the Commission  
Office of the Secretary  
Ontario Securities Commission  
20 Queen Street West, 17th Floor, Box 55  
Toronto, Ontario M5H 3S8  
Phone number: (416) 593-2390  
E-mail: [jturcotte@osc.gov.on.ca](mailto:jturcotte@osc.gov.on.ca)

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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



1.4.4 Eugene N. Melnyk et al.

**FOR IMMEDIATE RELEASE**  
May 16, 2007

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

**AND**

**IN THE MATTER OF  
EUGENE N. MELNYK, ROGER D. ROWAN,  
WATT CARMICHAEL INC., HARRY J. CARMICHAEL,  
AND G. MICHAEL MCKENNEY**

**TORONTO** – The hearing on the merits in the above noted matter has been adjourned to commence on June 18, 2007, at 10:00 a.m. at 20 Queen Street West, 17th Floor, Toronto, Ontario in the Large Hearing Room.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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Manager, Public Affairs  
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1-877-785-1555 (Toll Free)

1.4.5 Nortel Networks Corporation and Nortel Networks Limited

**FOR IMMEDIATE RELEASE**  
May 16, 2007

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

**AND**

**IN THE MATTER OF  
NORTEL NETWORKS CORPORATION  
AND NORTEL NETWORKS LIMITED**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing today pursuant to sections 127 and 127.1 of the Act to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and Nortel to be heard on May 22, 2007 at 11:00 a.m. in the Large Hearing Room.

A copy of the Notice of Hearing is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 Emerald Technology Ventures AG - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 Fees

##### Headnote

Applicant seeking registration as an international adviser is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees is waived in respect of this discretionary relief, subject to certain conditions.

##### Rules Cited

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

May 8, 2007

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

**AND**

**IN THE MATTER OF  
EMERALD TECHNOLOGY VENTURES AG**

**DECISION**

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

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

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

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

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

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

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

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money

order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and
- D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies;

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

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

“David M. Gilkes”

**2.1.2 Mawer Investment Management Ltd. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Applicant for registration as mutual fund dealer exempted from sections 2.1 and 3.3(1) of OSC Rule 31-506 – Applicant has agreed to the imposition of certain terms and conditions on its registration as a mutual fund dealer that are set out in the Appendix to the decision.

**Applicable Statute**

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

**Applicable Ontario Rule**

Rule 31-506 SRO Membership – Mutual Fund Dealers, ss. 2.1, 3.1, 5.1.

May 7, 2007

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

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS  
(the System)**

**AND**

**IN THE MATTER OF  
MAWER INVESTMENT MANAGEMENT LTD.  
(the Filer)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision (the **Requested Relief**) exempting the Filer from requirements (collectively, the **MFDA Membership Requirements**) in the securities legislation of the Jurisdictions (the **Legislation**) that would require the Filer, as a mutual fund dealer, to file an application for, and obtain, membership in the Mutual Fund Dealers Association of Canada (the **MFDA**).

Under the System:

- (a) the British Columbia 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, including the attached Appendix (the **Appendix**) to this decision, unless they are otherwise defined in this decision or the Appendix.

**Representations**

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

1. the Filer is a corporation that is registered in British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia as an investment counsel/portfolio manager, and in Manitoba as a portfolio manager;
2. the Filer is also registered in Alberta and Saskatchewan as a mutual fund dealer, and in Ontario as a limited market dealer; the Filer has applied to be registered as a mutual fund dealer in the Jurisdictions;
3. the Filer's primary business is the provision of discretionary investment management services;
4. the Filer is the principal distributor in Alberta and Saskatchewan, the manager (within the meaning of National Instrument 81-102 Mutual Funds) and the portfolio advisor, of the Mawer Investments Funds, (the **Funds**), which are offered in each of the Provinces of Canada under a simplified prospectus and annual information form;
5. the Filer has obtained an exemption in Alberta and Saskatchewan from the requirement to be a member of the MFDA for certain dealing activities; the Filer proposes to engage in similar dealing activities in the Jurisdictions;
6. the Filer's activities as a mutual fund dealer are a secondary and incidental part of its primary business of discretionary investment management;
7. the Filer has agreed to the imposition of the terms and conditions on the Filer's registration as a mutual fund dealer as set out in the Appendix; and
8. before the Filer makes a trade with any client pursuant to its registration in a Jurisdiction as a mutual fund dealer, the Filer will provide to the client prominent written notice that:

*The Filer is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association of Canada (MFDA); consequently, clients of the Filer will not have available to them investor protection benefits that would otherwise derive from membership of the Filer in the MFDA, including coverage under*

*MFDA Investor Protection Corporation (being the investor protection plan for clients of members of the MFDA).*

**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 of each Jurisdiction is that the Requested Relief is granted provided that:

For each Jurisdiction, the Filer complies with the terms and conditions on its registration as a mutual fund dealer as set out in the Appendix.

"Sandy Jakab"  
Acting Director, Capital Markets Regulation  
British Columbia Securities Commission

**Appendix  
to MRRS Decision**

**Terms and Conditions on the Registration of  
Mawer Investment Management Ltd.  
as a Mutual Fund Dealer under the Legislation**

**Interpretation**

1. In this Appendix, except as otherwise defined below or unless the context otherwise requires, defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this Appendix.

2. In this Appendix,

(a) “Adviser” means an adviser as defined in the Legislation;

(b) “Client Name Trade” means, for the Filer, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Filer or an affiliate of the Filer, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Filer or an affiliate of the Filer as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Filer, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Filer, of securities of the mutual fund;

and where, the person or company:

(C) is a client of the Filer that was not solicited by the Filer; or

(D) was an existing client of the Filer on the Effective Date;

(c) “Effective Date” means May 9, 2007;

(d) “Employee”, for the Filer, means:

(A) an employee of the Filer;

(B) an employee of an affiliated entity of the Filer; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Filer or to an affiliated entity of the Filer, under a written

contract between the Filer or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Filer, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Filer or an affiliated entity of the Filer;

(e) “Employee”, for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Filer, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Filer or an affiliated entity of the Filer; or

(B) a mutual fund managed by the Filer or an affiliated entity of the Filer;

(f) “Executive”, for the Filer, means a director, officer or partner of the Filer or of an affiliated entity of the Filer;

(g) “Executive”, for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(h) “Exempt Trade”, for the Filer, means:

(i) for each Jurisdiction, a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters;

(ii) for Ontario, a trade in securities of a mutual fund for which the Filer would have available to it an exemption from the dealer registration requirement under the Legislation if the Filer were not a “market intermediary” as such term is defined in section 204 of the Ontario Regulation;

(iii) for each British Columbia, a trade in securities of a mutual fund for which the Filer would have available to it an exemption from the dealer registration requirement under the Legislation; or

- (iv) for each Jurisdiction, a trade in securities of a mutual fund for which the Filer has received a discretionary exemption from the dealer registration requirement under the Legislation;
- (i) “Fund-on-Fund Trade” means a trade that consists of:
  - (i) a purchase, through the Filer, of securities of a mutual fund that is made by another mutual fund;
  - (ii) a purchase, through the Filer, of securities of a mutual fund that is made by a person or company where the person or company, an affiliated entity of the person or company, or another person or company is, or will become, the counterparty in a specified derivative or swap with another mutual fund; or
  - (iii) a sale, through the Filer, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:
    - (A) a mutual fund managed by the Filer or an affiliated entity of the Filer; or
    - (B) a person or company that acquired the securities where the person or company, an affiliated entity of the person or company, or another person or company is, or was, the counterparty in a specified derivative or swap with another mutual fund; andwhere, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Filer or an affiliated entity of the Filer;
- (j) “In Furtherance Trade” means, for the Filer, a trade by the Filer that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:
  - (i) a purchase or sale of securities of a mutual fund that is managed by the Filer or an affiliated entity of the Filer; or
  - (ii) a purchase or sale of securities of a mutual fund where the Filer acts as the principal distributor of the mutual fund;and where, in each case, the purchase or sale is made by or through an other registered dealer if the Filer is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;
- (k) “Managed Account” means, for the Filer, an investment portfolio account of a client under which the Filer, pursuant to a written agreement made between the Filer and the client, makes investment decisions for the account and has full discretionary authority to trade in securities for the account without obtaining the client’s specific consent to the trade;
- (l) “Managed Account Trade” means, for the Filer, a trade to, or on behalf of, a Managed Account of the Filer, where the trade consists of a purchase or redemption, through the Filer of securities of a mutual fund, that is made on behalf of the Managed Account, where, in each case:
  - (i) the Filer is the portfolio adviser to the mutual fund;
  - (ii) the mutual fund is managed by the Filer or an affiliate of the Filer; and
  - (iii) either of:
    - (A) the mutual fund is prospectus-qualified in the Jurisdiction; or
    - (B) the trade is not subject to either the prospectus requirement or the dealer registration requirement under the Legislation of the Jurisdiction;
- (m) “Mutual Fund Instrument” means National Instrument 81-102 *Mutual Funds*, as amended;

- (n) "Ontario Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Securities Act, R.S.O. 1990, c. S.5, as amended;
- (o) "Permitted Client" means a person or company that is a client of the Filer, and that is, or was at the time the person or company became a client of the Filer:
- (i) an Executive or Employee of the Filer;
  - (ii) a Related Party of an Executive or Employee of the Filer;
  - (iii) a Service Provider or an affiliated entity of a Service Provider;
  - (iv) an Executive or Employee of a Service Provider; or
  - (v) a Related Party of an Executive or Employee of a Service Provider;
- (p) "Permitted Client Trade" means, for the Filer, a trade to a person, who is a Permitted Client or who represents to the Filer that he or she is a person included in the definition of Permitted Client, in securities of a mutual fund that is managed by the Filer or an affiliate of the Filer, and the trade consists of a purchase or redemption, by the person, through the Filer, of securities of the mutual fund;
- (q) "Pooled Fund Rule" means, for the Filer, and for a Jurisdiction, a rule or other regulation under the Legislation of the Jurisdiction that relates, in whole or in part, to the distribution of securities of a mutual fund and/or non-redeemable investment fund, other than pursuant to a prospectus for which a receipt has been under the Legislation, made by the Filer to or on behalf of a Managed Account, but does not include National Instrument 45-106 *Prospectus and Registration Exemption* or BC Instrument 45-505 *Alternative Reporting Requirements for Exempt Distributions of Securities of Eligible Pooled Funds*;
- (r) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the *Income Tax Act* (Canada);
- (s) "Filer" means Mawer Investment Management Ltd.;
- (t) "Related Party", for a person, means an other person who is:
- (i) the spouse of the person;
  - (ii) the issue of:
    - (A) the person;
    - (B) the spouse of the person; or
    - (C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;
  - (iii) the parent, grandparent or sibling of the person, or the spouse of any of them;
  - (iv) the issue of any person referred to in paragraph (iii) above;
  - (v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;
  - (vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing; or
  - (vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;
- (u) "securities", for a mutual fund, means shares or units of the mutual fund;
- (v) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument; and
- (w) "Service Provider" means:
- (i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Filer or an affiliated entity of the Filer;



- (ii) an Adviser to a mutual fund that is managed by the Filer or an affiliated entity of the Filer; or
    - (iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Filer or an affiliated entity of the Filer.
  - 3.(1) In this Appendix, a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.
  - (2) In this Appendix, a person or company is considered to be controlled by a person or company if
    - (a) in the case of a person or company
      - (i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company; and
      - (ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or company;
    - (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or
    - (c) in the case of a limited partnership, the general partner is the second-mentioned person or company.
  - (3) In this Appendix, a person or company is considered to be a subsidiary entity of another person or company if
    - (a) it is controlled by
      - (i) that other; or
      - (ii) that other and one or more persons or companies, each of which is controlled by that other; or
    - (iii) two or more persons or companies, each of which is controlled by that other; or
    - (b) it is a subsidiary entity of a person or company that is that other's subsidiary entity.
  - 4. In this Appendix:
    - (a) "issue" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;
    - (b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;
    - (c) "registered dealer" means a person or company that is registered under the Legislation of the Jurisdiction as a dealer in a category that permits the person or company to act as dealer for the subject trade; and
    - (d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.
  - 5. In this Appendix, any terms that are not otherwise defined in National Instrument 14-101 *Definitions* or specifically defined above shall, unless the context otherwise requires, have the meaning:
    - (a) specifically ascribed to such term in the Mutual Fund Instrument; or
    - (b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Legislation of the Jurisdiction.
- Restricted Registration: Permitted Activities**
- 6. The registration of the Filer as a mutual fund dealer under the Legislation of the Jurisdictions shall be for the purposes only of trading by the Filer in securities of a mutual fund where the trade consists of:
    - (a) a Client Name Trade;
    - (b) an Exempt Trade;
    - (c) a Fund-on-Fund Trade;
    - (d) an In Furtherance Trade;
    - (e) a Managed Account Trade, provided, at the time of the trade, the Filer is registered under the Legislation of the

Jurisdictions as an adviser in the categories of “investment counsel” and “portfolio manager” or their equivalent;

- (f) a Permitted Client Trade; or
- (g) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (f), the trades are limited and incidental to the principal business of the Filer, and provided also that paragraph (e) will cease to be in effect one year after the coming into force, subsequent to May 9, 2007, of any Pooled Fund Rule.

### 2.1.3 Landmark Oil & Gas Corp. - MRRS Decision

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the issuer bid requirements of Part XX in connection with the proposed repurchase of an “out of the money” convertible debentures where offer is made to accredited investors and purpose of transaction is to re-finance debt.

#### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., Part XX, s. 104(2)(c).

April 20, 2007

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

AND

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

AND

**IN THE MATTER OF  
LANDMARK OIL & GAS CORP.  
(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, including Sections 105 to 110 of the *Securities Act* (British Columbia) (the Act) and the related provisions set out in the regulations to the Act and the equivalent provisions of the securities legislation of each of the other Jurisdictions, relating to, among other things, commencement and delivery of an issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, formal valuation, identical consideration and collateral benefits contained in the Legislation (collectively, the Issuer Bid Requirements) do not apply to the repurchase or redemption of all the issued and outstanding debentures of the Filer (the Requested Relief).

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

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

**Interpretation**

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

**Representations**

- 3 This decision is based on the following facts represented by the Filer:
  - 1. the Filer is a corporation incorporated under the *Business Corporations Act* (Alberta) on February 21, 2001; the head office of the Filer is located at Suite 303, 1726 Dolphin Avenue, Kelowna, British Columbia V1Y 9R9;
  - 2. the Filer is a reporting issuer in British Columbia and Alberta and, to the best of its knowledge, is not in default of any requirements of the Legislation;
  - 3. the Filer is authorized to issue an unlimited number of common shares (Common Shares) without nominal or par value; the Common Shares are listed for trading on the TSX Venture Exchange (the Exchange) under the symbol "LMK"; the Filer has no issued and outstanding debt securities other than the Debentures;
  - 4. on April 22, 2005, the Filer issued, on a private placement basis, an aggregate principal amount of \$330,000 of unsecured convertible debentures (the April 2005 Debentures); the April 2005 Debentures bear interest at 10% per annum, payable quarterly, and will mature and be fully payable on April 22, 2007; the April 2005 Debentures are convertible at any time prior to maturity at the holders' option at a conversion rate of one Common Share per \$0.25 of principal amount;
  - 5. on September 14, 2005, the Filer issued, on a private placement basis, an aggregate principal amount of \$1,250,000 of unsecured convertible debentures (the September 2005 Debentures); the September 2005

Debentures bear interest at 12% per annum, payable monthly, and will mature and be fully payable on September 14, 2007; the September 2005 Debentures are convertible at any time prior to maturity at the holders' option at a conversion rate of one Common Share per \$0.25 of principal amount in the first year and \$0.40 of principal amount in the second year;

- 6. on November 18, 2005 and December 30, 2005, the Filer issued, on a private placement basis, an aggregate principal amount of \$1,914,900 of unsecured convertible debentures (the November/December 2005 Debentures); the November/December 2005 Debentures bear interest at 12% per annum, payable monthly, and will mature and be fully payable on November 18, 2007 and December 30, 2007, respectively; the November/December 2005 Debentures are convertible at any time prior to maturity at the holders' option at a conversion rate of one Common Share per \$0.35 of principal amount in the first year and \$0.50 of principal amount in the second year;
- 7. on August 15, 2006, the Filer issued, on a private placement basis, an aggregate principal amount of \$1,065,750 of unsecured convertible debentures (the August 2006 Debentures); the August 2006 Debentures bear interest at 12% per annum, payable bi-monthly, and will mature and be fully payable on August 15, 2008; the August 2006 Debentures are convertible at any time prior to maturity at the holders' option at a conversion rate of one Common Share per \$0.75 of principal amount;
- 8. on December 31, 2006, the Filer issued, on a private placement basis, an aggregate principal amount of \$1,000,000 of unsecured convertible debentures (the December 2006 Debentures); the December 2006 Debentures bear interest at 12% per annum, payable monthly, and will mature and be fully payable on December 31, 2008; the April 2005 Debentures are convertible at any time prior to maturity at the holders' option at a conversion rate of one Common Share per \$0.50 of principal amount in the first year and \$1.00 of principal amount in the second year;
- 9. the April 2005 Debentures, the September 2005 Debentures, the

- November/December 2005 Debentures, the August 2006 Debentures and the December 2006 Debentures are collectively referred to herein as the Debentures; the Debentures were issued to “accredited investors” (within the meaning of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106)) resident in the Jurisdictions;
10. the Debentures are not listed on any stock exchange and there is no secondary market for them;
11. other than an aggregate principal amount of \$130,000 of the April 2005 Debentures currently held by two directors of the Filer, none of the Debentures are owned by any insiders of the Filer;
12. the Filer has issued 160,000 Common Shares upon conversion of a principal amount of \$40,000 of the April 2005 Debentures, 400,000 Common Shares upon conversion of a principal amount of \$100,000 of the September 2005 Debentures, and 457,141 Common Shares upon conversion of a principal amount of \$160,000 of the December 2005 Debentures; the conversion rights of approximately 94.6% of the aggregate principal amount of the Debentures have not been exercised;
13. there are no provisions in the instruments describing the terms and conditions of the Debentures that would permit the purchase, redemption or acquisition of the Debentures by the Filer without the prior agreement of the holders thereof to the purchase, redemption or acquisition except in the case of a change of control;
14. subject to the approval of the Exchange, the Filer intends to repurchase or redeem all the issued and outstanding Debentures by issuing to each of the holders thereof unsecured convertible debentures (the New Debentures) representing the equivalent principal amount originally purchased by such holder, each bearing interest at 12% per annum in the first year, 12.5% per annum in the second year and 13% per annum in the third year, payable monthly, and maturing on the third anniversary of the date of issuance thereof; the New Debentures are convertible at any time prior to maturity at the holders’ option at a conversion rate of one Common Share per \$0.25 of principal amount in the first year, \$0.50 of principal amount in the second year and \$0.75 of principal amount in the third year; all other material terms of the New Debentures will remain substantially similar, if not identical, to those contained in the Debentures but for expanded redemption and repurchase rights;
15. all holders of the Debentures will be treated equally;
16. in light of the fact that the Debentures are out-of-the-money, the conversion features of the Debentures are of no material value and the purpose of the repurchase or redemption of the Debentures is not to acquire, directly or indirectly, the Common Shares, but rather to attempt to re-finance the Filer’s outstanding indebtedness on more favourable terms for the Filer and for the holders of the Debentures;
17. the terms of the New Debentures are superior to the terms of the Debentures; without any action required or any costs imposed on the part of the holders of the Debentures, other than the surrender of the Debentures, they can have the benefit of acquiring the same instrument with more favourable terms and an extended timeframe to exercise their conversion rights; further, the holders of the Debentures are under no obligation to surrender their Debentures in exchange for the New Debentures; if a holder of Debentures does not wish to receive New Debentures, the holder continues to be bound by the terms of the Debentures and the holder is entitled to receive a return of the holder’s initial investment plus interest in the Debentures;
18. the repurchase or redemption of the Debentures will not adversely affect the Filer or the rights of any of the Filer’s shareholders and will not materially affect control of the Filer;
19. the Filer believes that all holders of the Debentures are knowledgeable of the affairs of the Filer, consider themselves able to evaluate the repurchase or redemption of the Debentures without the assistance of an issuer bid circular or a valuation of the Debentures; the Filer believes that all holders of the Debentures are sophisticated investors with extensive knowledge of the Canadian securities markets and would qualify as “accredited investors” within the meaning of NI 45-106 and therefore

- do not require the protections afforded by the Issuer Bid Requirements; and
20. the repurchase or redemption of the Debentures will constitute an "issuer bid" under the Legislation; the exemptions from the Issuer Bid Requirements contained in the Legislation are not available to the Filer.

**Decision**

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

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

- (a) the repurchase or redemption of the Debentures is carried out by issuing the New Debentures to each of the holders of the Debentures representing the equivalent principal amount originally purchased by such holder;
- (b) the New Debentures are issued to holders who, at the distribution date of each of the

New Debentures, are "accredited investors" as that term is defined in NI 45-106;

- (c) the Filer provides each holder of Debentures with written notice of the proposed issuance of the New Debentures describing why the Filer is proposing the repurchase or redemption, the material terms of the New Debentures, the proposed form of the New Debentures, and the date the holder of Debentures is required to make an investment decision about the repurchase or redemption of the Debentures; and

- (d) the Filer provides the notice in paragraph (c) above to each holder of Debentures at the same time, and at least 20 days before the holders of the Debentures are required to make an investment decision about the repurchase or redemption of the Debentures.

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

## 2.1.4 Altamira Financial Services Ltd. et al. - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirements of section 11.1(1)(b) and section 11.2(1)(b) of NI 81-102 to permit commingling of cash received for the purchase or redemption of mutual fund securities with cash received for the purchase and sale of other securities or instruments the participating dealer of third party funds and potential principal distributor of mutual funds is permitted to sell, subject to certain conditions. Certain of the dealers are or may act as ‘carrying dealers’ in the context of carrying dealer/introducing dealer arrangements.

### Applicable Legislative Provisions

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

April 13, 2007

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

AND

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

AND

IN THE MATTER OF  
ALTAMIRA FINANCIAL SERVICES LTD.,  
ASSANTE FINANCIAL MANAGEMENT LTD.,  
BERKSHIRE INVESTMENT GROUP INC.,  
BMO INVESTMENTS INC.,  
DESJARDINS FINANCIAL SERVICES FIRM INC.,  
DUNDEE PRIVATE INVESTORS INC.,  
FUNDEX INVESTMENTS INC.,  
INDEPENDENT PLANNING GROUP INC.,  
INVESTIA FINANCIAL SERVICES INC.,  
INVESTORS GROUP FINANCIAL SERVICES INC.,  
IPC INVESTMENT CORPORATION,  
IQON FINANCIAL INC.,  
M.R.S. INC., NATIONAL BANK SECURITIES INC.,  
RICE FINANCIAL GROUP INC.,  
TD INVESTMENT SERVICES INC., AND  
WORLDSOURCE FINANCIAL MANAGEMENT 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 from the Filers for a decision (the “Requested Relief”) under the securities legislation of the Jurisdictions (the “Legislation”) for an exemption from the provisions of section 11.1(1)(b) and section 11.2(1)(b) of National Instrument 81-102 *Mutual Funds* (“NI 81-102”) that prohibit a principal distributor and other service providers, or a participating dealer and other service providers, from commingling cash received for the purchase or redemption of mutual fund securities (“Mutual Fund Trust Monies”) with cash received for the purchase or sale of guaranteed investment certificates (“GICs”) and other securities or instruments the Filers are permitted to sell (“Non Mutual Fund Client Trust Monies”) (the “Commingling Prohibitions”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

**Interpretation**

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

**Representations**

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

1. Certain of the Filers are corporations governed by the laws of the Province Ontario, and certain of the Filers are corporations governed by the laws of Canada and maintain their head office in the Province of Ontario. Other Filers are governed by the laws of Canada, the laws of Québec and the laws of Manitoba but are registered as extra-provincial corporations in the Province of Ontario and undertake significant business in Ontario.
2. Each Filer is registered as a dealer in the category of mutual fund dealer (or the equivalent) in all the Jurisdictions listed opposite the Filer's name in Schedule "A" hereto. Each Filer is a member of the Mutual Fund Dealers Association of Canada ("MFDA") in all the Jurisdictions listed opposite its name in Schedule "A".
3. The Filers' principal business is trading in mutual funds, guaranteed investment certificates ("GICs") and other securities or instruments that the Filers are permitted to sell pursuant to their mutual fund dealer registration or other registration.
4. The Filers act as participating dealers and/or assume the role of principal distributors with respect to the sale of mutual funds.
5. Some of the Filers are or may become "carrying dealers" within the meaning prescribed by section 1 of MFDA By-Law 1 ("By-Law 1") which defines a "carrying dealer" as a member of the MFDA that carries customer accounts in accordance with Rule 1.1.6 of the Rules of the MFDA ("MFDA Rules") to the extent, at a minimum, of clearing and settling trades, maintaining books and records of customer transactions and the holding of client cash, securities and other property. By-Law 1 defines an "introducing dealer" as a member of the MFDA that introduces customer accounts to a carrying dealer in accordance with Rule 1.1.6 of the MFDA Rules.
6. The Filers' clients choose which investments he or she wishes to make on the basis of the material provided to the client by a Filer where a Filer acts as an introducing dealer. Where a Filer acts as a carrying dealer, the Filer's clients choose which investments he or she wishes to make on the basis of materials provided to the client by the introducing dealer which, in the case of publicly offered mutual funds, includes the simplified prospectus for those funds.
7. As members of the MFDA, the Filers are subject to the rules of the MFDA ("MFDA Rules") on an ongoing basis, particularly those with respect to the handling and segregation of client cash. As members of the MFDA, the Filers are expected to comply with all MFDA Rules and requirements.
8. Each Filer maintains or has maintained on its behalf one or more trust accounts ("Client Trust Accounts") with one or more major Canadian financial institutions into which all monies invested by clients are paid and from which redemption proceeds or assets to be distributed are paid. These trust accounts are interest bearing and all of the interest earned on the cash in the trust accounts is paid out to securityholders or to each of the mutual funds to which the trust account pertains on a pro rata basis in compliance with subsection 11.2(4) of NI 81-102 (and that would be required by subsection 11.1(4) where a Filer acting as a principal distributor). The Filers also ensure compliance with section 11.3 in the way in which the Client Trust Accounts are maintained.
9. Each Filer proposes to pool Non-Mutual Fund Client Trust Monies with Mutual Fund Trust Monies in one or more Client Trust Accounts established under section 11.3 of NI 81-102. The commingling of Non-Mutual Fund Client Trust Monies with Mutual Fund Trust Monies would facilitate significant administrative and systems economies that would enable each Filer to enhance its level of service to its clients at less cost each Filer. The Filers' Client Trust Accounts are each designated as "trust accounts" by the financial institutions at which they are held.
10. The Filers do not believe that the interests of their clients will be prejudiced in any way by the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies.

## Decisions, Orders and Rulings

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11. The Commingling Prohibitions prevent the Filers from commingling Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies.
12. Prior to June 23, 2006 section 3.3.2(e) of the MFDA Rules (the "MFDA Commingling Prohibition") also prohibited the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies. On June 23, 2006, the MFDA granted relief from the MFDA Commingling Prohibition to the Filers subject to the Filers obtaining similar relief from the Commingling Prohibitions from the Jurisdictions. Should the Requested Relief be granted by the Jurisdictions, the Filer will provide the MFDA with notice that the Requested Relief has been granted.
13. In providing their services, the Filers have systems in place to be able to account for all of the monies they receive into and all of the monies that are to be paid out of their Client Trust Accounts in order to meet the policy objectives of sections 11.1 and 11.2 of NI 81-102.
14. The Filers will maintain proper records with respect to client cash in a commingled account, and will ensure that all Client Trust Accounts are reconciled, and that Mutual Fund Trust Monies and Non-Mutual Fund Trust Monies are properly accounted for, daily.
15. Except for the Commingling Prohibitions, the Filers will comply with all other requirements prescribed in Part 11 of NI 81-102 with respect to the handling and segregation of client cash.
16. Effective July 1, 2005, the MFDA Investor Protection Corporation ("MFDA IPC") commenced offering coverage, within defined limits, to customers of MFDA members against losses suffered due to the insolvency of MFDA members. The Filers do not believe that the Requested Relief will affect coverage provided by the MFDA IPC.
17. In the absence of the Requested Relief, the commingling of Mutual Fund Trust Monies with Non-Mutual Fund Client Trust Monies would contravene the Commingling Prohibitions.

### Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force of any change in the MFDA IPC rules which would reduce the coverage provided by the MFDA IPC relating to Mutual Fund Client Trust Monies and Non-Mutual Fund Client Trust Monies held in the Client Trust Accounts.

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



## SCHEDULE "A"

NAME OF CORPORATION	JURISDICTIONS
Altamira Financial Services Ltd.	All provinces and territories
Assante Financial Management Ltd.	BC, AB, SK, MB, ON, QC, NB, NS, PE, NF, NT, YK
Berkshire Investment Group Inc.	BC, AB, SK, MB, ON, QC, NB, NS, PE, NF, NT, YK
BMO Investments Inc.	All provinces and territories
Desjardins Financial Services Firm Inc.	BC, AB, SK, MB, ON, QC, NB, NS, PE, NF
Dundee Private Investors Inc.	All provinces and territories
FundEX Investments Inc.	All provinces and territories
Independent Planning Group Inc.	BC, AB, SK, MB, ON, QC, NB, NS, PE, NF
Investia Financial Services Inc.	BC, AB, SK, MB, ON QC NB, NS, PE, NF
Investors Group Financial Services Inc.	All provinces and territories
IPC Investment Corporation	All provinces and territories
IQON Financial Inc.	BC, AB, SK, MB, ON, NB, NS, PE, NF, NT, YK, NU
M.R.S. Inc.	All provinces and territories
National Bank Securities Inc.	All provinces and territories
Rice Financial Group Inc.	BC, AB, SK, MB, ON
TD Investment Services Inc.	All provinces and territories
Worldsource Financial Management Inc.	All provinces and NT

**2.1.5 Claymore Investments, Inc. and Claymore Equal Weight Banc & Lifeco Trust - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Exemptive relief granted to exchange traded Fund offered in continuous distribution from certain mutual fund requirements and restrictions on: transmission of purchase or redemption orders, issuing units for cash or securities, calculation and payment of redemptions and date of record for payment of distributions – National Instrument 81-102 Mutual Funds.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 9.1, 9.4(2), 10.2, 10.3, 14.1, 19.1.

May 10, 2007

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

AND

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

AND

IN THE MATTER OF  
CLAYMORE INVESTMENTS, INC.  
 (“Claymore”)

AND

IN THE MATTER OF  
CLAYMORE EQUAL WEIGHT BANC & LIFECO TRUST  
(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 Claymore on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) for exemptive relief from the following provisions of National Instrument 81-102 – *Mutual Funds* (“**NI 81-102**”), subject to certain terms and conditions:

1. Sections 9.1 and 10.2 to permit purchases and sales of units (“**Units**”) of the Fund on The Toronto Stock Exchange (the “**TSX**”);
2. Section 9.4(2) to permit the Fund to accept a combination of cash and securities as subscription proceeds for Units;
3. Section 10.3 to permit the Fund to redeem less than the Prescribed Number of Units at a discount to their market price, instead of at their net asset value; and
4. permission under Section 14.1 to permit the Fund to establish a record date for distributions in accordance with TSX Rules.

Paragraphs 1 through 4 above are collectively referred to in this decision as the “**Requested Relief**”.

Under the Mutual Reliance Review System for Exemptive Relief Applications (“**MRRS**”):

1. the Ontario Securities Commission is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

“**Basket of Securities**” means, a group of securities determined by Claymore from time to time representing the constituents of the investment portfolio then held by the Fund.

“**Designated Brokers**” means registered brokers and dealers that enter into agreements with the Fund to perform certain duties in relation to the Fund.

“**Prescribed Number of Units**” means the number of Units of the Fund determined by Claymore from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

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

“**Unitholders**” means beneficial and registered holders of Units.

Section references set out in this decision are references to NI 81-102, unless otherwise indicated.

Defined terms contained in NI 81-102 and 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 Claymore:

### Background

1. The Fund is a non-redeemable investment fund governed by the laws of Ontario and a reporting issuer under the laws of all of the Jurisdictions.
2. A preliminary long form prospectus for the Fund dated April 5, 2007 was filed with, and granted a preliminary receipt from, the securities regulatory authorities in each of the Jurisdictions on April 9, 2007 under SEDAR No. 1080614.
3. Claymore has applied to list the Units of the Fund on the TSX. Claymore will not file a final prospectus for the Fund until the TSX has conditionally approved the listing of Units.
4. Claymore is the trustee and manager of the Fund and is a registered investment counsel and portfolio manager in Ontario and is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 (the "**Advisers Act**"). Claymore is a wholly-owned subsidiary of Claymore Group, Inc., a financial services and asset management company based in Lisle, Illinois. Claymore Group, Inc. and its U.S. affiliates include two investment advisers registered with the U.S. Securities and Exchange Commission under the Advisers Act and a broker-dealer registered with the National Association of Securities Dealers, Inc. under the United States Securities Exchange Act of 1934.
5. The Fund's investment objectives are to seek to provide Unitholders with:
  - (a) monthly cash distributions targeted to be \$0.04167 per Unit; and
  - (b) the potential for capital appreciation from the Portfolio (defined below).

The net proceeds of the Fund's initial public offering will be invested on an equally weighted basis, in a portfolio (the "**Portfolio**") consisting of common shares of the largest Canadian banks and Canadian life insurance companies. Inclusion in the Portfolio will be based on the following criteria: (i) the minimum market capitalization to be included in the Portfolio is \$5 billion for banks and \$1.5 billion for life insurance companies; and (ii) the companies must be Canadian banking or Canadian life insurance companies. The Fund will generally invest in Portfolio securities on an equal weighted basis however, Claymore, as portfolio manager, will have discretion to determine the appropriate composition of the Portfolio in the

event of mergers or other transactions involving the banks or life insurance companies, as it may see fit.

6. Units may be surrendered for redemption annually in November of each year for a redemption price per Unit equal to net asset value per Unit less any costs and expenses incurred by the Fund in connection with funding the redemption. Units are also redeemable monthly for a redemption price determined by reference to the trading price of the Units. Accordingly, the Fund will initially be a "non-redeemable investment fund" and not a "mutual fund" under the Legislation.
7. The Fund is structured such that commencing after six months following the closing of the offering, if for a period of 10 consecutive trading days, the daily weighted average trading price (or, in the event there has been no trading on a particular day, the average of the closing bid and ask prices) of the Fund's Units is greater than a discount of 2% of NAV per Unit for that day, there will be an automatic conversion (the "**Conversion**") of the Fund to an exchange-traded fund ("**ETF**").
8. Units issued by the Fund will not be index participation units within the meaning of NI 81-102. After the Conversion, the Fund will be generally described as an ETF and would become a "mutual fund" under Legislation and accordingly, would be subject to the provisions of NI 81-102.
9. In the event of a Conversion, the Fund's investment objectives and investment strategies will remain the same.
10. At the time of Conversion, the Fund will prepare and file a preliminary prospectus of the Fund relating to the proposed continuous distribution of Units issuable after Conversion and enter into the necessary designated broker and underwriting agreements in connection with such offerings. The Fund will not commence continuous distribution of the Units at least until the final prospectus in respect of such distribution has been received.
11. From and after Conversion:
  - (a) Units may only be subscribed for or purchased directly from the Fund by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
  - (b) The Fund will appoint Designated Brokers to perform certain functions which include standing in the market with

- a bid and ask price for Units of the Fund for the purpose of maintaining liquidity for the Units.
- (c) Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of Claymore, the Fund may also accept subscriptions for Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
- (d) The net asset value per Unit of the Fund will be calculated and published daily and the investment portfolio of the Fund will be made available daily on Claymore's website.
- (e) Upon notice given by Claymore from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.3% of the net asset value of the Fund, or such other amount established by Claymore and disclosed in the prospectus of the Fund, next determined following delivery of the notice of subscription to that Designated Broker.
- (f) Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Claymore may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
- (g) Except as described in subparagraphs (a) through (e) above, Units may not be purchased directly from the Fund. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains and in accordance with the distribution reinvestment plan of the Fund, if such plan is implemented.
- (h) Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. In addition, beneficial Unitholders may redeem Units through Underwriters or Designated Brokers, but their redemption orders may be consolidated prior to delivery by the Underwriters or Designated Brokers directly to Claymore. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets of Securities and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
- (i) As manager, Claymore receives a fixed annual fee from the Fund. Such annual fee is calculated as a fixed percentage of the net asset value of the Fund. As manager, Claymore is responsible for all costs and expenses of the Fund except the management fee, the servicing fee, any expenses related to the implementation and on-going operation of an independent review committee under National Instrument 81-107, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses.
- (j) Unitholders will have the right to vote at a meeting of Unitholders in respect of the Fund in certain circumstances, including prior to any change in the fundamental investment objective of the Fund, any change to their voting rights and prior to any increase in the amount of fees payable by the Fund.

#### 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 to the Fund from and after the Conversion provided that:

1. in respect of the relief granted from subsection 9.4(2), the acceptance of any securities as payment for the issue price of Units is made in accordance with paragraph 9.4(2)(b); and
2. in respect of the relief granted from section 14.1, the Fund complies with applicable TSX

requirements in setting the record date for payment of distributions.

“Leslie Byberg”  
Manager, Investment Funds Branch  
Ontario Securities Commission

**2.1.6 Claymore Investments, Inc. and Claymore Equal Weight Banc & Lifeco Trust - MRRS Decision**

**Headnote**

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

**Applicable Legislative Provisions**

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

**Rules Cited**

National Instrument 81-102 Mutual Funds – Part 15.

May 9, 2007

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

**AND**

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

**AND**

**IN THE MATTER OF  
CLAYMORE INVESTMENTS, INC.  
 (“Claymore”)**

**AND**

**IN THE MATTER OF  
CLAYMORE EQUAL WEIGHT BANC & LIFECO TRUST  
(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 Claymore on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that:

1. the dealer registration requirement of the Legislation does not apply to Claymore in connection with its dissemination of sales communications relating to the distribution of units (“**Units**”) of the Fund;
2. in connection with the distribution of securities of the Fund pursuant to a prospectus, the Fund be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who are in a contractual relationship with the issuer whose securities are being offered; and
3. purchasers of Units of the Fund be exempted from the requirement of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee with each applicable Jurisdiction, (the “**Take-over Bid Requirements**”) in respect of take-over bids for the Fund.

Paragraphs 1 through 3 above are collectively referred to in this decision as the “**Requested Relief**”.

Under the Mutual Reliance Review System for Exemptive Relief Applications (“**MRRS**”):

1. the Ontario Securities Commission is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

## Interpretation

“**Basket of Securities**” means a group of securities determined by Claymore from time to time representing the constituents of the investment portfolio then held by the Fund.

“**Designated Brokers**” means registered brokers and dealers that enter into agreements with the Fund to perform certain duties in relation to the Fund.

“**Prescribed Number of Units**” means the number of Units of the Fund determined by Claymore from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

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

“**Unitholders**” means beneficial and registered holders of Units.

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

## Representations

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

### Background

1. The Fund is a mutual fund trust governed by the laws of Ontario and a reporting issuer under the laws of all of the Jurisdictions.
2. Claymore has applied to list the Units of the Fund on the Toronto Stock Exchange (“**TSX**”). Claymore will not file a final prospectus for the Fund until the TSX has conditionally approved the listing of Units.
3. Claymore is the trustee and manager of the Fund and is a registered investment counsel and portfolio manager in Ontario and is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940 (the “**Advisers Act**”). Claymore is a wholly-owned subsidiary of Claymore Group, Inc., a financial services and asset management company based in Lisle, Illinois. Claymore Group, Inc. and its U.S. affiliates include two investment advisers registered with the U.S. Securities and Exchange Commission under the Advisers Act and a broker-dealer registered with the National Association of Securities Dealers, Inc. under the United States Securities Exchange Act of 1934.
4. The Fund’s investment objectives are to seek to provide Unitholders with:
  - (a) monthly cash distributions targeted to be \$0.04167 per Unit; and
  - (b) the potential for capital appreciation from the Portfolio (defined below).

The net proceeds of the Fund’s initial public offering will be invested on an equally weighted basis, in a portfolio (the “**Portfolio**”) consisting of common shares of the largest Canadian banks and Canadian life insurance companies. Inclusion in the Portfolio will be based on the following criteria: (i) the minimum market capitalization to be included in the Portfolio is \$5 billion for banks and \$1.5 billion for life insurance companies; and (ii) the companies must be Canadian banking or Canadian life insurance companies. The Fund will generally invest in Portfolio securities on an equal weighted basis however, Claymore, as manager,

will have discretion to determine the appropriate composition of the Portfolio in the event of mergers or other transactions involving the banks or life insurance companies, as it may see fit.

5. Units may be surrendered for redemption annually in November of each year for a redemption price per Unit equal to net asset value per Unit less any costs and expenses incurred by the Fund in connection with funding the redemption. Units are also redeemable monthly for a redemption price determined by reference to the trading price of the Units.
  - (b) The Fund will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of the Fund for the purpose of maintaining liquidity for the Units.
6. The Fund is structured such that commencing after six months following the closing of the offering, if for a period of 10 consecutive trading days, the daily weighted average trading price (or, in the event there has been no trading on a particular day, the average of the closing bid and ask prices) of the Fund's Units is greater than a discount of 2% of NAV per Unit for that day, there will be an automatic conversion (the "**Conversion**") of the Fund to an exchange-traded fund ("**ETF**").
  - (c) Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of Claymore, the Fund may also accept subscriptions for Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
7. Units initially issued by the Fund will not be index participation units within the meaning of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"). After the Conversion, the Fund will be generally described as an ETF.
8. In the event of a Conversion, the Fund's investment objectives and investment strategies will remain the same.
  - (d) The net asset value per Unit of the Fund will be calculated and published daily and the investment portfolio of the Fund will be made available daily on Claymore's website.
9. At the time of Conversion, the Fund will prepare and file a preliminary prospectus of the Fund relating to the proposed continuous distribution of Units issuable after Conversion and enter into the necessary designated broker and underwriting agreements in connection with such offerings. The Fund will not commence continuous distribution of the Units at least until the final prospectus in respect of such distribution has been received.
  - (e) Upon notice given by Claymore from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.3% of the net asset value of the Fund, or such other amount established by Claymore and disclosed in the prospectus of the Fund, next determined following delivery of the notice of subscription to that Designated Broker.
10. From and after Conversion:
  - (a) Units may only be subscribed for or purchased directly from the Fund by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX. Under Designated Broker and Underwriter agreements, the Designated Brokers and Underwriters agree to offer Units for sale to the public only as permitted by applicable Canadian securities legislation, which require a prospectus to be delivered to purchasers
    - (f) Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Claymore may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
    - (g) Except as described in subparagraphs (a) through (e) above, Units may not be purchased directly from the Fund.

- Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains and in accordance with the distribution reinvestment plan of the Fund as disclosed in its prospectus, if such plan is implemented.
- (h) Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets of Securities and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
- (i) As manager, Claymore receives a fixed annual fee from the Fund. Such annual fee is calculated as a fixed percentage of the net asset value of the Fund. As manager, Claymore is responsible for all costs and expenses of the Fund except the management fee, the servicing fee, any expenses related to the implementation and on-going operation of an independent review committee under National Instrument 81-107 – *Independent Review Committee for Investment Funds*, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses.
- (j) No investment dealers will act as principal distributors for the Funds in connection with the distribution of Units. The Underwriters will not receive any commission or other payment from the Fund or Claymore. As a result, Claymore will be the only entity desiring to foster market awareness and promote trading in the Units through the dissemination of sales communications.
- (k) Because Underwriters will not receive any remuneration for distributing Units, and because Underwriters will change from time to time, it is not practical to require an underwriters' certificate in the prospectus of the Fund.
- (l) Unitholders will have the right to vote at a meeting of Unitholders in respect of the Fund in certain circumstances, including prior to any change in the fundamental investment objective of the Fund, any change to their voting rights and prior to any increase in the amount of fees payable by the Fund.
- (m) Although Units trade on the TSX and the acquisition of Units can therefore be subject to the Take-over Bid Requirements:
- (i) it will not be possible for one or more Unitholders to exercise control or direction over a Fund as the declaration of trust in respect of the Fund will ensure that there can be no changes made to the Fund which do not have the support of Claymore and also will ensure that a Unitholder cannot exercise the votes attached to Units which represent 20% or more of the votes attached to all outstanding Units;
- (ii) it will be difficult for purchasers of Units to monitor compliance with Take-over Bid Requirements because the number of outstanding Units will always be in flux as a result of the ongoing issuance and redemption of Units by the Fund; and
- (iii) the way in which Units will be priced deters anyone from either seeking to acquire control of, or offering to pay a control premium for, outstanding Units because Unit pricing will be dependent upon the performance of the portfolio of the Fund as a whole.
- (n) The application of the Take-over Bid Requirements to the Fund would have an adverse impact upon Unit liquidity because they could cause Designated Brokers and other large Unitholders to cease trading Units once prescribed take-over bid thresholds are reached. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the Fund.

**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 to the Fund from and after the Conversion provided that:

1. in respect of the relief granted from the registration requirement of the Legislation, Claymore complies with Part 15 of NI 81-102; and
2. in respect of the relief granted from the Take-over Bid Requirements, prior to a person or company (a "**Unit Purchaser**") making any take-over bid for Units that is not otherwise exempt from the Take-over Bid Requirements, the Unit Purchaser, and any person or company acting jointly or in concert with the Unit Purchaser (a "**Concert Party**"), provide Claymore with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party which represent more than 20% of the votes attached to all outstanding Units.

"Carol S. Perry"  
Commissioner  
Ontario Securities Commission

"Margot C. Howard"  
Commissioner  
Ontario Securities Commission

## 2.1.7 American Express Credit Corporation and American Express Canada Credit Corporation - MRRS Decision

### Headnote

MRRS –issuer does not satisfy conditions of exemption in section 13.4 of NI 51-102 and 13.1 of Form 44-101F1 – credit supporter's accounting systems will not allow it to compile consolidated summary financial information for non-credit supporter subsidiaries that represent more than 3% of consolidated operations – issuer exempt from certain continuous disclosure, certification, audit committee, and corporate governance requirements under the Legislation, subject to conditions – issuer exempt from certain form requirements under Form 44-101F1 in respect of short form base shelf prospectuses together with applicable prospectus supplements and pricing supplements in respect of the issuance by the issuer of medium term notes guaranteed by the credit supporter, subject to conditions

### Applicable Legislative Provisions

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, ss.4.4, 4.5.  
Multilateral Instrument 52-110 Audit Committees, ss.1.2(g), 8.1.  
National Instrument 58-101 Disclosure of Corporate Governance Practices, ss. 1.3(c), 3.1.  
National Instrument 44-101 Short Form Prospectus Distributions, s. 8.1.  
Form 44-101F1 Short Form Prospectus, s. 13.1.

April 30, 2007

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

AND

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

AND

IN THE MATTER OF  
AMERICAN EXPRESS CREDIT CORPORATION  
(Amex Credit USA)

AND

AMERICAN EXPRESS CANADA CREDIT  
CORPORATION (Amex Credit Canada and  
together with Amex Credit USA, 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**) that the Filers be exempt from the following requirements contained in the Legislation:

- (a) the requirement under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**) (the **Continuous Disclosure Relief**);
- (b) the requirement under the Legislation that Amex Credit Canada comply with the requirements of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (the **Certification Relief**);
- (c) the requirements under the Legislation that Amex Credit Canada comply with requirements relating to audit committees (the **Audit Committee Relief**);
- (d) the requirement under the Legislation that Amex Credit Canada comply with the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the **Corporate Governance Relief**); and
- (e) the requirement under the Legislation that Amex Credit Canada: (i) include in Future Prospectuses (as defined below) filed with the Decision Makers for Future Offerings (as defined below) its earning coverage ratios required under Section 6.1 of Form 44-101F1 promulgated under National Instrument 44-101 (**NI 44-101**) and (ii) incorporate by reference in Future Prospectuses filed with the Decision Makers for Future Offerings any of the documents specified under paragraphs 1 through 4, 6 and 7 of Section 11.1(1) of Form 44-101F1 (the **Prospectus Disclosure 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 otherwise set forth herein.

## Representations

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

1. Amex Credit USA is incorporated under the laws of the State of Delaware and was incorporated in 1962. Its principal executive offices are located at One Christina Centre, 301 N. Walnut Street, Suite 1002, Wilmington, Delaware, 19801-2919, USA.
2. Amex Credit USA is a wholly-owned subsidiary of American Express Travel Related Services Company, Inc. (TRS), which itself is a wholly-owned subsidiary of American Express Company.
3. Amex Credit USA is the beneficial owner of all of the outstanding voting securities of Amex Credit Canada.
4. Amex Credit USA is primarily engaged in the business of financing most non-interest-bearing charge cardmember receivables arising from the use of various American Express cards in the United States and in designated currencies outside the United States. Amex Credit USA also purchases certain interest-bearing and discounted revolving credit and extended payment plan receivables and lines of credit and loans.
5. Amex Credit USA has non-convertible debt securities outstanding with an "approved rating" (as defined in NI 44-101) and Amex Credit USA has not been the subject of an announcement by an "approved rating organization" (as defined in NI 44-101) that the "approved rating" given by the organization may be down-graded to a rating category that would not be an "approved rating".
6. Amex Credit USA has a class of securities registered under Section 12(b) of the United States *Securities Exchange Act of 1934* (the **1934 Act**).
7. Amex Credit USA has filed with the United States Securities and Exchange Commission (the **SEC**) all filings required to be made with the SEC under the 1934 Act, including without limitation, any required during the last 12 calendar months.
8. Amex Credit USA is not registered or required to be registered as an investment company under the United States *Investment Company Act of 1940*, as amended.
9. Amex Credit USA is not a commodity pool issuer.
10. Amex Credit USA is not a reporting issuer or the equivalent in any of the Jurisdictions.
11. Amex Credit USA has fully and unconditionally guaranteed the Notes (as defined below) and no other subsidiary of Amex Credit USA has provided

- a guarantee or alternative credit support for the Notes.
12. Amex Credit Canada is a wholly-owned subsidiary of Amex Credit USA and is an unlimited liability company incorporated under the laws of the province of Nova Scotia on April 15, 2004. Its principal executive offices are located at 101 McNabb Street, Markham, Ontario L3R 4H8.
13. Amex Credit Canada and Amex Credit USA filed an application dated June 3, 2005 with the Decision Makers seeking, among other things, exemptive relief from various prospectus eligibility and prospectus form requirements.
14. The Decision Makers granted relief from various prospectus eligibility and prospectus form requirements to Amex Credit Canada and Amex Credit USA on July 29, 2005.
15. Amex Credit Canada filed a preliminary short form base shelf prospectus with the Decision Makers on October 6, 2005 and the Decision Makers issued a MRRS Decision Document in respect thereof on October 7, 2005.
16. Amex Credit Canada filed a final short form base shelf prospectus with the Decision Makers on October 28, 2005 concerning the planned distribution by Amex Credit Canada of non-convertible medium term notes in respect of which Amex Credit USA has provided a full and unconditional guarantee of the payments to be made by Amex Credit Canada, as stipulated in the terms of the medium term notes or in an agreement governing the rights of holders of the medium term notes, that results in the holder of such medium term notes being entitled to receive payment from Amex Credit USA upon demand following any failure by Amex Credit Canada to make a payment (such medium term notes, together with similar medium term notes to be issued by Amex Credit Canada under any Future Prospectuses, the **Notes**) and the Decision Makers issued a MRRS Decision Document in respect thereof on October 31, 2005.
17. Since October 31, 2005, Amex Credit Canada has issued non-convertible medium term notes under its short form base shelf prospectus in the aggregate principal amount of Cdn. \$2.3 billion.
18. Amex Credit Canada is a reporting issuer or the equivalent in each of the Jurisdictions.
19. Amex Credit Canada is not in default of any applicable requirements of the Legislation.
20. Amex Credit Canada does not have any securities outstanding other than the types of securities listed in Section 13.4(2)(c) of NI 51-102.
21. Amex Credit Canada files in electronic format with the Decision Makers copies of all documents that Amex Credit USA is required to file with the SEC under the 1934 Act, at the same time or as soon as practicable after the filing by Amex Credit USA of those documents with the SEC.
22. Amex Credit Canada has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes and is a "finance subsidiary" as defined in Rule 3-10(b) of Regulation S-X promulgated by the SEC.
23. The Notes have received an "approved rating" (as defined in NI 44-101) and the Notes have not been the subject of an announcement by an "approved rating organization" (as defined in NI 44-101) that the "approved rating" given by the organization may be down-graded to a rating category that would not be an "approved rating".
24. Amex Credit Canada meets the eligibility requirements set out in Section 13.4 (2) of NI 51-102 except that Amex Credit USA does not meet the test set forth in Section 13.4(2)(g)(i)(B) and it is unable to prepare the table required by Section 13.4(2)(g)(ii).
25. Amex Credit Canada meets the eligibility requirements of Item 13.1 of Form 44-101F1 except that Amex Credit USA does not meet the test set forth in Item 13.1(f)(i)(B) and it is unable to prepare the table required by Item 13.1(f)(ii) of Form 44-101F1.
26. Amex Credit Canada may in the future file additional short form base shelf prospectuses together with applicable prospectus supplements and pricing supplements in each of the Jurisdictions (the **Future Prospectuses**) in respect of the issuance by Amex Credit Canada of additional medium term notes from time to time (the **Future Offerings**). All medium term notes issued by Amex Credit Canada pursuant to any Future Offering will have an "approved rating".
27. If Amex Credit Canada were incorporated under United States law, it would be permitted under Section 3.2 of NI 71-101 to effect a direct offering of the Notes in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure so long as Amex Credit USA fully and unconditionally guarantees payment of principal and interest due under such securities.

#### 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.

*Continuous Disclosure Relief*

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

- (a) Amex Credit Canada and Amex Credit USA continue to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(g);
- (b) Amex Credit USA discloses in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K filed with the SEC and the Decision Makers, any significant restrictions on the ability of Amex Credit USA to obtain funds from its subsidiaries by dividend or loan;
- (c) Amex Credit USA discloses in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K filed with the SEC and the Decision Makers:
  - (i) the nature of any restrictions on the ability of consolidated subsidiaries and unconsolidated subsidiaries of Amex Credit USA to transfer funds to Amex Credit USA in the form of cash dividends, loans or advances (i.e., borrowing arrangements, regulatory constraints, foreign government, etc.) and
  - (ii) the amount of "restricted net assets" (calculated in the manner specified in paragraph (d) below) for unconsolidated subsidiaries and consolidated subsidiaries of Amex Credit USA as of the end of its most recently completed fiscal year (with such amounts for unconsolidated subsidiaries and consolidated subsidiaries disclosed separately), provided that, the disclosure contemplated in paragraphs (c)(i) and (c)(ii) above are only required to be provided when the "restricted net assets" of consolidated and unconsolidated subsidiaries of Amex Credit USA, and Amex Credit USA's equity in undistributed earnings of 50% or less owned persons accounted for by the equity method, together exceed 25% of the consolidated net assets of Amex Credit USA as of the end of its most recently completed fiscal year;
- (d) "Restricted net assets" shall be calculated in the manner specified in this paragraph (d). "Restricted net assets" of subsidiaries shall mean that amount of Amex Credit USA's proportionate share of net assets (after intercompany eliminations) reflected in the balance sheets of its consolidated and unconsolidated subsidiaries as of the end

of the most recent fiscal year which may not be transferred to Amex Credit USA in the form of loans, advances or cash dividends by the subsidiaries without the consent of a third party (i.e., lender, regulatory agency, foreign government, etc.). Not all limitations on transferability of assets are considered to be restrictions for purposes of calculating "restricted net assets", which considers only specific third party restrictions on the ability of subsidiaries to transfer funds outside of the entity. For example, the presence of subsidiary debt which is secured by certain of the subsidiary's assets does not constitute a restriction for purposes of calculating "restricted net assets". However, if there are any loan provisions prohibiting dividend payments, loans or advances to Amex Credit USA by a subsidiary, these are considered restrictions for purposes of computing "restricted net assets". When a loan agreement requires that a subsidiary maintain certain working capital, net tangible asset, or net asset levels, or where formal compensating arrangements exist, there is considered to be a restriction because the lender's intent is normally to preclude the transfer by dividend or otherwise of funds to Amex Credit USA. Similarly, a provision which requires that a subsidiary reinvest all of its earnings is a restriction, since this precludes loans, advances or dividends in the amount of such undistributed earnings by the entity. Where restrictions on the amount of funds which may be loaned or advanced differ from the amount restricted as to transfer in the form of cash dividends, the amount least restrictive to the subsidiary shall be used. Redeemable preferred stocks and minority interests shall be deducted in computing net assets for purposes of these calculations;

- (e) Amex Credit Canada continues to have minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes;
- (f) Amex Credit Canada files with the copy of each quarterly report of Amex Credit USA on Form 10-Q and each annual report of Amex Credit USA on Form 10-K, a statement that the financial results of Amex Credit Canada are included in the consolidated results of Amex Credit USA; and

- (g) the Continuous Disclosure Relief granted herein shall only be valid until December 31, 2012.

**Certification Relief**

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

- (a) the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above; and
- (b) the Certification Relief granted herein shall only be valid until December 31, 2012.

*Audit Committee Relief*

The further decision of the Decision Makers under the Legislation is that the Audit Committee Relief is granted provided that:

- (a) the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above; and
- (b) the Audit Committee Relief granted herein shall only be valid until December 31, 2012.

*Corporate Governance Relief*

The further decision of the Decision Makers under the Legislation is that the Corporate Governance Relief is granted provided that:

- (a) the Filers continue to satisfy the conditions of the Continuous Disclosure Relief, above; and
- (b) the Corporate Governance Relief granted herein shall only be valid until December 31, 2012.

*Prospectus Disclosure Relief*

The further decision of the Decision Makers under the Legislation is that the Prospectus Disclosure Relief is granted provided that:

- (a) Amex Credit Canada and Amex Credit USA satisfy the conditions set forth in Item 13.1 of Form 44-101F1 and NI 44-101, other than Item 13.1(f) of Form 44-101F1, unless otherwise exempted therefrom;
- (b) Amex Credit USA provides the disclosure contemplated in paragraphs (b) and (c) of the Continuous Disclosure Relief granted above in each of its quarterly reports on Form 10-Q and each of its annual reports on Form 10-K incorporated by reference by Amex Credit Canada into any Future Prospectus filed with the Decision Makers in respect of any Future Offering, but for clarity excluding the Amex Credit USA report on

Form 10-K for the fiscal period ended December 31, 2006;

- (c) Amex Credit Canada has minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Notes, at the time a Future Prospectus is filed in respect of a Future Offering;
- (d) if Amex Credit Canada files a Future Prospectus in respect of a Future Offering on or before May 15, 2007, the Filers include the disclosure for Amex Credit USA's fiscal period ended December 31, 2006, contemplated in paragraphs (b) and (c) of the Continuous Disclosure Relief granted above, directly in the Future Prospectus;
- (e) each Future Prospectus includes a statement that the financial results of Amex Credit Canada are included in the consolidated financial results of Amex Credit USA; and
- (f) the Prospectus Disclosure Relief granted herein shall only be valid for Future Prospectuses filed with the Decision Makers prior to December 31, 2012.

"Lisa Enright"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.1.8 Mena Resources Inc. - s. 1(10)b**

Relief requested granted on the 14th day of May, 2007.

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

“Blaine Young”  
Associate Director, Corporate Finance  
Alberta Securities Commission

**Ontario Statutes**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)b.

**Citation:** Mena Resources Inc., 2007 ABASC 290

May 14, 2007

**Anfield Sujir Kennedy & Durno**

1600 - 609 Granville Street  
P.O. Box 10068 Pacific Centre  
Vancouver, BC V7Y 1C3

**Attention: Michael Kennedy**

Dear Sir:

**Re: Mena Resources Inc. (the Applicant) -  
Application to Cease to be a Reporting Issuer  
under the securities legislation of Alberta,  
Ontario and Québec (the Jurisdictions)**

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

As the Applicant has represented to the Decision Makers that:

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

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

**2.1.9 Great Lakes Carbon Income Fund - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

**Ontario Statutes**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

**May 14, 2007**

**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  
GREAT LAKES CARBON INCOME FUND (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 is not a reporting issuer in the Jurisdictions 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 Applicant.

1. The Applicant is an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario pursuant to the Applicant’s second amended and restated declaration of trust dated August 11, 2003, as amended on May 10, 2004, March 13, 2006 and May 8, 2007 (the “**Declaration of Trust**”).
2. The Applicant is a reporting issuer under the Legislation in each of the Jurisdictions.
3. The Applicant and Oxbow Carbon and Minerals Holdings, Inc. (“**Oxbow**”) entered into a definitive agreement dated as of March 28, 2007 providing for the acquisition by Oxbow of all of the assets of the Applicant, consisting of all of the common shares in the capital of Carbon Canada Inc. and all of the outstanding 16% unsecured, subordinated notes issued to the Applicant by Huron Carbon ULC (the “**Transaction**”).
4. The Transaction was approved at a special meeting of unitholders of the Applicant held on May 2, 2007 and was completed on May 8, 2007.
5. The 67,672,622 outstanding trust units of the Applicant (the “**Units**”) were de-listed from the Toronto Stock Exchange at the close of trading on May 9, 2007 and no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 — *Marketplace Operation*.
6. The redemption of all of the Units in accordance with the Declaration of Trust, as amended, occurred on May 10, 2007.
7. 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.
8. The Applicant is applying for relief to not be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
9. The Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

**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.

“Erez Blumberger”  
Manager, Corporate Finance  
Ontario Securities Commission

## 2.1.10 Huron Carbon ULC - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

### Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

May 14, 2007

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  
HURON CARBON ULC (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 is not a reporting issuer in the Jurisdictions 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 Applicant.



1. The Applicant is an unlimited liability company established under the laws of the Province of Nova Scotia and is an indirect subsidiary of Great Lakes Carbon Income Fund (the “Fund”).
2. The Applicant is a reporting issuer under the Legislation in each of the Jurisdictions.
3. The Fund and Oxbow Carbon and Minerals Holdings, Inc. (“Oxbow”) entered into a definitive agreement dated as of March 28, 2007 providing for the acquisition by Oxbow of all of the assets of the Fund, consisting of all of the common shares in the capital of Carbon Canada Inc. and all of the outstanding 16% unsecured, subordinated notes issued to the Fund by the Applicant (the “Transaction”).
4. The Transaction was approved at a special meeting of unitholders of the Fund held on May 2, 2007 and was completed on May 8, 2007.
5. The 67,672,622 outstanding trust units of the Fund (the “Units”) were de-listed from the Toronto Stock Exchange at the close of trading on May 9, 2007.
6. The redemption of all of the Units in accordance with the Fund’s second amended and restated declaration of trust, as amended, occurred on May 10, 2007.
7. 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.
8. No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 — *Marketplace Operation*.
9. The Applicant is applying for relief to not be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
10. The Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

#### 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.

“Erez Blumberger”  
Manager, Corporate Finance  
Ontario Securities Commission

#### 2.1.11 Four Seasons Holdings Inc. - s. 1(10)

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

##### Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

May 14, 2007

##### Goodmans LLP

250 Yonge Street, Suite 2400  
Toronto, ON M5B 2M6

ATTN: Mark Spiro

Dear Mr. Spiro:

**Re: Four Seasons Holdings Inc. (the “Applicant”) — application for an order not to be a reporting issuer under the securities legislation of Alberta, Manitoba, New Brunswick, Newfoundland & Labrador, Nova Scotia, Ontario, Québec and Saskatchewan (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 not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Erez Blumberger”  
Manager, Corporate Finance  
Ontario Securities Commission

**2.1.12 UrAsia Energy Ltd. - s. 1(10)b**

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

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – application for an order that the issuer is not a reporting issuer.

**Ontario Statutes**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10)b.

May 14, 2007

**UrAsia Energy Ltd.**

**c/o Fasken Martineau DuMoulin LLP**

66 Wellington Street West  
Suite 3600, Toronto-Dominion Bank Tower  
Box 20, Toronto Dominion Centre  
Toronto, Ontario, M5K 1N6

**Attention: Bozidar Crnatovic**

Dear Mr. Crnatovic:

**Re: UrAsia Energy Ltd. (the “Applicant”) - application for an order not to be a Reporting Issuer under the Securities Legislation of Alberta and Ontario (the “Jurisdictions”)**

The Applicant has applied to the local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions for a decision under the securities legislation (the “**Legislation**”) of the Jurisdictions not 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 and 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 not to be a reporting issuer in all of the jurisdictions of 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 not a reporting issuer.

2.1.13 Crescent Point General Partner Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has no securities, including debt securities, outstanding other than the securities held by parent issuer – Issuer deemed to have ceased to be a reporting issuer under applicable securities laws

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).

May 15, 2007

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

AND

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

AND

IN THE MATTER OF  
CRESCENT POINT GENERAL PARTNER CORP.

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the **Jurisdictions**) has received an application from Crescent Point General Partner Corp. (the Filer), under the securities legislation of the Jurisdictions (the **Legislation**) for a decision to be deemed to have ceased to be a reporting issuer in the Jurisdictions in accordance with the Legislation.
2. Pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the **System**), the Alberta Securities Commission is the principal regulator for this application.

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 each Decision Maker:

- (a) The Filer is incorporated under the laws of the Province of Alberta and has a head office in Calgary, Alberta.
- (b) On January 10, 2006, Crescent Point Energy Trust (**Crescent Point**) and Crescent Point General Partner Corp., a subsidiary of Crescent Point, entered into an arrangement agreement with Mission Oil & Gas Inc. (**Mission**) to acquire all of the issued and outstanding shares of Mission (the **Acquisition**) pursuant to section 193 of the *Business Corporations Act* (Alberta).
- (c) The Acquisition closed on February 9, 2007. Mission continued to be a reporting issuer in British Columbia and the Jurisdictions upon completion of the Acquisition.
- (d) On March 1, 2007, Crescent Point and certain subsidiaries of Crescent Point completed an internal reorganization by way of a plan of arrangement (the **Arrangement**).
- (e) A management information circular with respect to the Arrangement was mailed to all unitholders of Crescent Point (the **Unitholders**).
- (f) Pursuant to the Arrangement, among other things, the following steps occurred:
  - (i) Crescent Point subscribed for a number of Class A common shares (**MFC Class A Shares**) of Crescent Point MFC Ltd. (**MFC**), a wholly owned subsidiary of Crescent Point, equal to the number of issued and outstanding trust units (**Units**) then held by Unitholders for certain consideration;
  - (ii) Crescent Point undertook a return of capital in respect of the Units whereby each Unitholder received a number of MFC Class A Shares equal to the number of Units owned by such Unitholder;
  - (iii) The MFC Class A Shares were listed and posted on the Toronto Stock Exchange (the **TSX**) and

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|---|---|
| <p>(iv) MFC amalgamated with Crescent Point General Partner Corp. and Mission to form Crescent Point General Partner Corp. (<b>Amalco-MFC</b>) and the MFC Class A Shares survived and continued to be shares of Amalco-MFC without amendment (the <b>Amalco-MFC Class A Shares</b>);</p> <p>(v) Amalco-MFC redeemed all of its issued and outstanding Amalco-MFC Class A Shares held by Unitholders; and</p> <p>(vi) Amalco-MFC subsequently amalgamated with 1230698 Alberta Ltd. and Mission Exploration Inc. to form the Filer.</p> | <p>(l) No securities of the Filer are currently traded on a marketplace (as defined in National Instrument 21-101 <i>Marketplace Operation</i>). The Filer has no securities, including debt securities, outstanding other than the common shares held by Crescent Point.</p> <p>(m) The filer has no current intention to seek public financing by way of an offering of securities.</p> <p>(n) The Filer is a reporting issuer under the Legislation in each of the Jurisdictions. The Filer ceased to be a reporting issuer in British Columbia on March 17, 2007 under BC Instrument 11-502 – <i>Voluntary Surrender of Reporting Issuer Status</i>.</p> <p>(o) The Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.</p> |
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|---|--|
| <p>(g) In connection with the Arrangement, Crescent Point became the beneficial holder of all the issued and outstanding common shares of the Filer.</p> <p>(h) The outstanding securities of the Filer, including debt securities, are all beneficially owned by Crescent Point and, therefore, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada.</p> <p>(i) Upon completion of the Arrangement, the Filer became a reporting issuer in British Columbia and the Jurisdictions.</p> <p>(j) The Filer is currently not in default of any of its obligations under the Legislation other than being in default of its continuous disclosure obligations under the securities legislation in the Jurisdictions due to the Filer's failure to file its annual financial statements and management's discussion &amp; analysis related thereto for the year ended December 31, 2006 and the certifications required by NI 52-109 <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i> as required to be filed under the Legislation on or before March 31, 2007 (the <b>Documents</b>).</p> <p>(k) Other than the failure to file the Documents, the Filer is not in default of any requirements of the Legislation.</p> | <p><b>Decision</b></p> <p>5. Pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker.</p> <p>6. 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.</p> <p>7. The decision of the Decision Makers pursuant to the Legislation is that the Filer is deemed to have ceased to be a reporting issuer.</p> <p>"Blaine Young"<br/>Associate Director, Corporate Finance<br/>Alberta Securities Commission</p> |
|---|--|

2.2 Orders

2.2.1 Land Banc of Canada Inc. et al. - s. 127

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

**AND**

**IN THE MATTER OF  
LAND BANC OF CANADA INC.,  
LBC MIDLAND I CORPORATION,  
FRESNO SECURITIES INC.,  
RICHARD JASON DOLAN, MARCO LORENTI,  
AND STEPHEN ZEFF FREEDMAN**

**ORDER  
SECTION 127**

**WHEREAS** on the 23rd day of April, 2007, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading by Land Banc of Canada ("LBC"), LBC Midland I Corporation ("Midland"), Fresno Securities Inc. ("Fresno"), Richard Jason Dolan ("Dolan"), Marco Lorenti ("Lorenti") and Stephen Zeff Freedman ("Freedman"), (the "Respondents"), in any securities of Midland or any other corporation controlled by LBC, Dolan or Lorenti shall cease (the "Temporary Order");

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents;

**AND WHEREAS** on May 1, 2007, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

**AND WHEREAS** upon submissions from counsel for Staff of the Commission and from counsel for Fresno and Freedman on May 8, 2007 the Temporary Order against Fresno and Freedman was continued until May 10, 2007;

**AND WHEREAS**, Fresno and Freedman wish to participate in an offering of securities of AmeraCan Energy Holdings Limited Partnership ("AmeraCan") scheduled to close on or about June 29, 2007, (the "AmeraCan Offering");

**AND WHEREAS**, Fresno and Freedman represent through counsel that AmeraCan is a company unrelated to LBC or Midland;

**AND WHEREAS**, Fresno and Freedman undertake that they will not be selling units in the AmeraCan Offering directly to the public but through securities dealers registered with the Commission as either

an Investment Dealer, a Mutual Fund Dealer or an Investment Counsel/Portfolio Manager;

**AND WHEREAS**, upon hearing submissions from counsel for Staff of the Commission and from counsel for Fresno and Freedman on May 8, 2007, the Commission is of the opinion that it is in the public interest to make this order;

**IT IS ORDERED THAT**, on consent of counsel for Staff of the Commission and for Fresno and Freedman;

1. the Temporary Order against Fresno and Freedman is extended until the date of the Hearing in this matter or until further order of the Commission, subject to the following;
2. Freedman shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission;
3. Fresno and Freedman shall only be permitted to participate in the marketing and sales of securities in the AmeraCan Offering on the condition that any acts in furtherance of a trade pursuant to the Offering by Fresno or Freedman will be for sales made by dealers registered with the Commission in the category of Investment Dealer, Mutual Fund Dealer or Investment Counsel/Portfolio Manager; and
4. Upon request by Staff of the Commission, Fresno and Freedman will provide within five business days the details of all sales of securities in the AmeraCan Offering which resulted from Fresno or Freedman acting in furtherance of a trade, including the names of the purchasers and the registered securities dealers who qualified the purchasers and completed these sales.

Dated at Toronto this 10th day of May, 2007

"Patrick LeSage"

"Suresh Thakrar"

2.2.2 Hollinger Inc. - s. 144

Headnote

Application by an issuer for a revocation of a management and insider cease trade order (the "MCTO") previously issued in accordance with the terms of OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements (the "MCTO Policy").

The MCTO provides that all trading, whether direct or indirect, by the persons and companies listed in Schedule "A" to the MCTO (collectively, the "Respondents") in the securities of the issuer shall cease, subject to certain exceptions as provided for in the MCTO, until two business days following the receipt by the Commission of all filings the issuer is required to make pursuant to Ontario securities law. The Commission issued the MCTO in June 2004 as a result of the failure by the issuer to comply with its obligations under Ontario securities law to file certain interim and annual financial statements, related Management's Discussion and Analysis ("MD&A"), and an Annual Information Form ("AIF").

On December 7, 2006, the issuer received an Order from the Commission and from certain other Canadian securities regulatory authorities (the "December MRRS Decision") which granted relief from certain form and content requirements of the financial statement filing requirements in Canadian securities legislation. This relief was granted on the condition that the alternative filings contemplated by the December MRRS Decision be made within 90 days of the December MRRS Decision.

On March 7, 2007 the issuer filed with the Commission the alternative filings contemplated by the MRRS Decision ("the Required Filings"). The issuer has made this application to revoke the MCTO because the MCTO did not lapse automatically in accordance with its terms for technical reasons. The issuer has filed with the Commission the alternative filings contemplated by the MRRS Decision and brought its continuous disclosure record up to date. MCTO revoked.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 6(3), 127, 144.

**Policies Cited**

OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements.

Proposed National Policy 12-202 Revocation of a Compliance-Related Cease Trade Order ("Proposed NP 12-202").

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

AND

IN THE MATTER OF  
CERTAIN DIRECTORS, OFFICERS AND INSIDERS  
OF HOLLINGER INC.  
(BEING THE PERSONS AND COMPANIES LISTED  
IN SCHEDULE "A" HERETO)

ORDER  
(Section 144)

**WHEREAS** on April 30, 2004, the Applicant made an application to the Ontario Securities Commission (the "**Commission**") under OSC Policy 57-603 — *Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements* (the "**MCTO Policy**") requesting that a Management and Insider Cease Trade Order be issued as an alternative to an issuer cease trade order;

**AND WHEREAS** on May 18, 2004, the Commission ordered that certain directors, officers or insiders of the Applicant since September 30, 2003 who had, or may have had, access to material information regarding the Applicant since September 30, 2003, temporarily cease trading in any securities of the Applicant (subject to certain exceptions) (the "**Temporary Order**"), for a period of 15 days from the date of the Temporary Order, and that a hearing would be held to determine if it would be in the public interest to make a final order;

**AND WHEREAS** on June 1, 2004, the Commission ordered that certain directors, officers or insiders of the Applicant since September 30, 2003 who had, or may have had, access to material information with respect to the Applicant since September 30, 2003 who were the subject of the Temporary Order cease trading, directly or indirectly, in any securities of the Applicant (subject to certain exceptions) for a period of two full business days following the receipt by the Commission of all filings which the Applicant is required to make pursuant to Ontario securities law (the "**Initial MCTO**");

**AND WHEREAS** (i) on each of March 8, 2005 and April 28, 2006, the Commission varied the Initial MCTO to reflect certain changes to the class of persons and companies who are officers, directors or insiders of the Applicant since the date of the Initial MCTO and (ii) on August 10, 2005 the Commission varied the Initial MCTO to permit certain trades in shares of the Applicant in respect of the possible attachment and perfection of a security interest in such shares (the Initial MCTO, as so varied, the "**MCTO**");

**AND WHEREAS** the Applicant has made an application (the "**Application**") pursuant to section 144 of the Act to revoke the MCTO;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is a corporation continuing from an amalgamation under the *Canada Business Corporations Act* 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 that recognizes such concept and is a foreign private issuer in the United States.
2. As at March 1, 2007, the Applicant's issued and outstanding share capital consisted of 34,945,776 Common Shares and 1,701,995 Exchangeable Non-Voting Preference Shares Series I (the "**Series II Preference Shares**").
3. 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.
4. Prior to March 7, 2007, the Applicant had not filed interim financial statements and interim management discussion & analysis related thereto since its interim financial statements for the nine-month period ended September 30, 2003 and had not filed annual audited financial statements and management discussion and analysis related thereto or an annual information form since the year ended December 31, 2002.
5. The Applicant has complied with Part 3 of the MCTO Policy and until March 7, 2007 provided bi-weekly updates on its affairs and progress with respect to remedying its continuous disclosure defaults by way of press release.
6. On September 1, 2006, the Applicant submitted an MRRS application requesting exemptive relief to facilitate the efficient curing of the Applicant's reporting defaults and to restore it as a reporting issuer in good standing.
7. On December 7, 2006, the Applicant received an MRRS decision (the "**December MRRS Decision**") from, among others, the Commission, granting the Applicant relief from certain filing requirements under applicable securities legislation, provided the Applicant filed with the applicable securities regulatory authorities certain continuous disclosure documents (collectively, the "**Required Filings**") on or before March 7, 2007, prepared as described in the December MRRS Decision.
8. On January 26, 2007, the Applicant announced that it had set May 7, 2007 as the date of the Applicant's annual meeting of shareholders.
9. On March 7, 2007, the Applicant made the Required Filings on the System for Electronic Document Analysis and Retrieval.

10. The Applicant has paid all outstanding fees in respect of the Required Filings in Ontario and each of the other jurisdictions in which it is a reporting issuer or the equivalent.

11. The Applicant acknowledges that the Required Filings made in accordance with the December MRRS Decision do not include certain of the Applicant's historical continuous disclosure documents, including:

- (a) unaudited interim financial statements and related interim management discussion & analysis for the interim periods from March 31, 2004 to September 30, 2005; and
- (b) annual information forms for the financial years ended December 31, 2003 and 2004;

however, the Applicant submits that the filing of such historical disclosure documents would in large part repeat the information contained in the Required Filings and that the Required Filings include all financial and other material information needed for investor understanding of the Applicant.

**AND WHEREAS** the Commission considered the Application, the oral submissions of the Applicant, and the written and oral submissions of Staff of the Commission;

**AND WHEREAS** the Commission is of the opinion that it would not be prejudicial to the public interest to make this Order;

**IT IS ORDERED**, pursuant to section 144 of the Act, that the MCTO be and is hereby revoked.

**DATED** at the City of Toronto, this 10th day of April, 2007.

"Wendell S. Wigle"  
Ontario Securities Commission

"David L. Knight"  
Ontario Securities Commission

"Carol S. Perry"  
Ontario Securities Commission

**Schedule "A"**

Drinkwater, David  
Mitchell, Ronald

509645 N.B. Inc.  
509646 N.B. Inc.  
1269940 Ontario Limited  
2753421 Canada Limited  
Amiel Black, Barbara  
Argus Corporation Limited  
Atkinson, Peter Y.  
Black, Conrad M. (Lord)  
Boulton, J. A.  
Burt, The Hon. Richard  
Carroll, Paul A.  
Colson, Daniel W.  
Conrad Black Capital Corporation  
Cowan, Charles G.  
Creasey, Frederick A.  
Cruikshank, John  
Deedes, Jeremy  
Dodd, David  
Duckworth, Claire F.  
Healy, Paul B.  
Kipnis, Mark  
Kissinger, The Hon. Henry A.  
Lane, Peter K.  
Loye, Linda  
Maida, Joan  
McCarthy, Helen  
Meitar, Shmuel  
O'Donnell-Keenan, Niamh  
Paris, Gordon  
Perle, The Hon. Richard N.  
Radler, F. David  
The Ravelston Corporation Limited  
Rohmer, Richard, OC, QC  
Ross, Sherrie L.  
Samila, Tatiana  
Savage, Graham  
Seitz, The Hon. Raymond G.H.  
Smith, Robert T.  
Stevenson, Mark  
Thompson, The Hon. James R.  
Van Horn, James R.  
Walker, Gordon W.  
White, Peter G.

Vale, Donald M.J.  
Delorme, Monique L.  
Richardson, James A.  
Marler, Jonathan H.  
Tyrrell, Robert Emmett  
Metcalfe, Robert J.  
Wakefield, Allan

509643 N.B. Inc.  
509644 N.B. Inc.  
509647 N.B. Inc.

Benson, Randall  
Wright, Joseph  
Beck, Stanley  
Glassman, Newton  
Rattee, David



2.2.3 Medoro Resources Ltd. - s. 144

Headnote

Section 144 - application for revocation of management cease trade order - issuer has brought filings up to date - full revocation granted.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss.127(1), 127(5). 144.

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

AND

IN THE MATTER OF  
CERTAIN DIRECTORS, OFFICERS AND  
INSIDERS OF MEDORO RESOURCES LTD.  
(being the persons and  
companies listed in Schedule "A" annexed hereto)

ORDER  
(Section 144)

WHEREAS the securities of Medoro Resources Ltd. (the "Filer") are subject to a temporary management cease trade order made by the Director dated May 4, 2007 under paragraphs 127(1)2 and 2.1 and subsection 127(5) of the Act (the "Management Cease Trade Order") directing that all trading in and all acquisitions of the securities of the Filer, whether direct or indirect, by the persons and companies listed in Schedule "A" annexed hereto (the "Respondents") cease for a period of 15 days from the date of the Management Cease Trade Order;

AND WHEREAS the Filer has made an application to the Ontario Securities Commission (the "Commission") for a revocation of the Management Cease Trade Order pursuant to section 144 of the Act;

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

1. The Filer was formed on February 24, 2004 through the amalgamation of Medoro Resources Ltd. (a predecessor company) and Full Riches Investments Ltd., pursuant to articles of amalgamation under the *Business Corporations Act* (Yukon).
2. The Filer is a "reporting issuer" under the securities legislation of the provinces of Ontario, Alberta and British Columbia.
3. The Filer's common shares are currently listed and posted for trading on the TSX Venture Exchange under the trading symbol "MRS" and on

the Alternative Investment Market of the London Stock Exchange under the trading symbol "MRL".

4. The Management Cease Trade Order was issued due to the failure of the Filer to file with the Commission audited annual financial statements for the year ended December 31, 2006 and management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2006 (collectively, the "Continuous Disclosure Documents") as required by Ontario securities law.
5. The Filer was unable to file the Continuous Disclosure Documents on or before April 30, 2007 due to delays in the integration of the Filer's acquired business and for reasons relating to reporting from the Filer's recently established Venezuelan office.
6. On May 7, 2007, the Filer filed the Continuous Disclosure Documents with the Commission through SEDAR and is up-to-date on all of its other continuous disclosure obligations, has paid all outstanding filing fees and has complied with National Instrument 51-102 – *Continuous Disclosure Obligations* regarding delivery of the Continuous Disclosure Documents and except for the Management Cease Trade Order, is not otherwise in default of any requirement of Ontario securities law.
7. The Filer has not been subject to any prior cease trade orders.
8. Other than Rob Doyle who has resigned as Executive Vice-President of the Filer effective May 15, 2007, there have been no changes of directors, officers or insiders of the Filer since the date of the Management Cease Trade Order.
9. There have been no material changes to the Filer's business or operations since the date of the Management Cease Trade Order, and there are currently no such material changes planned.

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

AND UPON the Director being satisfied that it would not be prejudicial to the public interest to revoke the Management Cease Trade Order;

IT IS ORDERED under Section 144 of the Act that the Management Cease Trade Order is revoked.

Dated this 14th day of May, 2007.

"Iva Vranic"  
Manager, Corporate Finance

**Schedule "A"**

Miguel de la Campa  
Neil Woodyer  
Serafino Iacono  
Jose Francisco Arata  
Giuseppe Pozzo  
Michael E. Beckett  
Rob Doyle  
Nelson Lee  
Peter Volk  
Anthony Zaidi  
Lulu Tao  
Jorge Neher  
RAB Special Situations (Master) Fund Ltd.  
Corporacion Vengroup

## 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
Aurado Energy Inc.	03 May 07	15 May 07	15 May 07	
Brazilian Resources, Inc.	03 May 07	15 May 07	15 May 07	
Everock Inc.	04 May 07	16 May 07	16 May 07	
Fuel Cell Technologies Ltd.	03 May 07	15 May 07	15 May 07	
Grove Energy Limited	14 May 07	25 May 07		
Pan American Gold Corporation	10 May 07	22 May 07		
Place Montfort Apartment Project	10 May 07	22 May 07		
Rage Energy Limited	11 May 07	23 May 07		
Ridgeway Petroleum Corp.	11 May 07	23 May 07		
St. Genevieve Resources Ltd.	11 May 07	23 May 07		
Starwood Industries Inc.	03 May 07	15 May 07	15 May 07	

### 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
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Airesurf Networks Holdings Inc.	02 May 07	15 May 07	15 May 07		
Consolidated HCI Holdings Corporation	16 May 07	29 May 07			
Dynamic Fuel Systems Inc.	02 May 07	15 May 07		16 May 07	
Interquest Incorporated	02 May 07	15 May 07	15 May 07		
Lingo Media Inc.	07 May 07	18 May 07			
Luxell Technologies Inc.	27 Apr 07	10 May 07	11 May 07		
Medoro Resources Ltd.	04 May 07	17 May 07		14 May 07	
Simberi Mining Corporation	02 May 07	15 May 07		16 May 07	

## 4.2.2 Outstanding Management &amp; 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
AireSurf Networks Holdings Inc.	02 May 07	15 May 07	15 May 07		
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Consolidated HCI Holdings Corporation	16 May 07	29 May 07			
Dynamic Fuel Systems Inc.	02 May 07	15 May 07		16 May 07	
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		
IMAX Corporation	03 Apr 07	16 Apr 07	16 Apr 07		
Interquest Incorporated	02 May 07	15 May 07	15 May 07		
Lingo Media Inc.	07 May 07	18 May 07			
Luxell Technologies Inc.	27 Apr 07	10 May 07	11 May 07		
Medoro Resources Ltd.	04 May 07	17 May 07		14 May 07	
Pearl River Holdings Limited	08 May 07	18 May 07			
Research In Motion Limited	24 Oct 06	07 Nov 06	07 Nov 06		
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07		
Simberi Mining Corporation	02 May 07	15 May 07		16 May 07	
Simplex Solutions Inc.	07 May 07	18 May 07			
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		
Urbanfund Corp.	07 May 07	18 May 07			

## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://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](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
04/30/2007	1	ABC Fully-Managed Fund - Units	150,000.00	15,249.71
04/30/2007	7	ABC Fundamental - Value Fund - Units	1,186,000.00	52,688.86
04/23/2007	6	Abitibi Mining Corp. - Common Shares	21,000.00	200,000.00
04/30/2007	4	Advitech Inc. - Debentures	750,000.00	5.00
04/26/2007	7	Airline Intelligence Systems Inc. - Common Shares	548,000.00	274,000.00
04/27/2007	6	Amarillo Gold Corporation - Non-Flow Through Units	7,500,000.00	6,000,000.00
04/17/2007	77	Andover Ventures Inc. - Units	13,541,264.10	20,832,714.00
04/25/2007	74	Anglo-Canadian Uranium Corp. - Units	1,504,200.00	N/A
05/01/2007	1	Archstone Offshore Fund Ltd. - Common Shares	34,999,980.00	349,999.80
04/30/2007	1	Aria Trust - Notes	26,800,000.00	N/A
05/01/2007	32	Atlanta Gold Corporation - Common Shares	3,079,800.00	3,422,000.00
04/16/2007	14	Austin Developments Corp. - Units	1,556,200.00	7,831,000.00
04/26/2007	46	Berkeley Resources Limited - Common Shares	21,383,687.52	12,500,000.00
04/20/2007	33	BlastGard International Inc. - Units	14,044,810.40	8,556,035.00
04/03/2007	1	Blue Wings Ltd. - Notes	1,157,300.00	N/A
05/07/2007	17	Brownstone Ventures Inc. - Units	10,000,000.00	4,000,000.00
05/03/2007	11	Bullfrog Power Inc. - Common Shares	4,000,001.16	2,515,724.00
04/18/2007	67	Canada Energy Partners Inc. - Common Shares	6,000,000.00	6,000,000.00
04/23/2007	1	Canadian Shield Resources Inc. - Common Shares	400,000.00	2,000,000.00
04/25/2007 to 04/27/2007	15	CareVest Blended Mortgage Investment Corporation - Preferred Shares	862,809.00	862,809.00
04/25/2007	9	CareVest First Mortgage Investment Corporation - Preferred Shares	259,597.00	259,597.00
04/25/2007 to 04/27/2007	33	CareVest First Mortgage Investment Corporation - Preferred Shares	1,250,618.00	1,250,618.00
04/19/2007	22	CGX Energy Inc. - Common Shares	9,000,000.00	10,000,000.00
04/26/2007	3	Clarke American Corp. - Notes	9,810,500.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/24/2007 to 05/04/2007	32	CMC Markets Canada Inc. - Contracts for Differences	120,949.00	32.00
04/24/2007	1	Compagnie Financiere du Credit Mutuel - Notes	500,000,000.00	5,000,000,000.00
04/30/2007	1	Davis-Rea Ltd. Balanced Pooled Fund - Units	50,000.00	4,346.16
05/01/2007	14	Delta Exploration Inc. - Units	2,475,000.00	1,500,000.00
09/12/2006	10	Digifonica International Corp. - Common Shares	3,000,000.00	N/A
04/26/2007	51	Evolving Gold Corp. - Units	3,013,250.00	12,053,000.00
04/19/2007	26	Evolving Gold Corp. - Units	587,500.00	2,350,000.00
04/24/2007	5	Excalibur Limited Partnership - Limited Partnership Units	661,610.44	2.12
04/26/2007	1	Excalibur Limited Partnership - Limited Partnership Units	168,030.00	0.54
04/18/2007	1	Explor Resources inc. - Common Shares	100,000.00	500,000.00
04/20/2007	21	Exploration Orbite VSPA Inc. - Units	504,000.00	84.00
04/30/2007	1	Fieldex Exploration Inc. - Common Shares	3,900,000.00	6,500,000.00
04/09/2007	1	First Leaside Properties Limited Partnership - Notes	3,487.71	3,027.00
04/24/2007 to 04/30/2007	2	First Leaside Select Limited Partnership - Limited Partnership Interest	491,433.00	444,052.00
04/25/2007	2	First Leaside Unity Limited Partnership - Notes	40,000.00	40,000.00
04/09/2007	3	First Leaside Unity Limited Partnership - Notes	238,000.00	3.00
04/30/2007	12	Franconia Minerals Corporation - Units	2,084,000.00	1,302,500.00
03/21/2007	1	General Cable Corporation - Notes	468,920.00	1.00
04/24/2007 to 05/01/2007	203	Gold Point Energy Corp. - Units	6,507,850.00	N/A
04/20/2007	21	Golden Goliath Resources Ltd. - Common Shares	3,008,000.00	7,520,000.00
12/01/2005	1	Gottex ABL (Cayman) Limited - Common Shares	200,000,000.00	2,000,000.00
01/02/2006 to 09/01/2006	1	Gottex ABL (Cayman) Limited - Common Shares	130,000,000.00	1,232,105.07
03/30/2007	4	Great Western Diamonds Corp. - Common Shares	15,902,500.32	35,338,890.00
01/09/2006 to 01/12/2006	1	GVA Market Neutral Fund/Gottex Value Added Fund - Common Shares	9,251,123.29	81,783.64
03/01/2004 to 05/01/2004	2	GVA Market Neutral Fund/Gottex Value Added Fund - Units	449,981.00	4,027.65
04/05/2007	13	Hi Ho Silver Resources Inc. - Units	643,500.00	715,000.00
04/30/2007	1	High Yield & Mortgage Plus Fund - Units	38,557,521.13	1,672,850.07
04/30/2007	1	High Yield & Mortgage Plus Trust - Units	38,557,521.13	1,669,490.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
01/01/2006 to 12/31/2006	7	IAFM Bond Fund - Trust Units	165,000.00	15,514.00
01/01/2006 to 12/31/2006	8	IAFM Canadian Equities Fund-Defensive - Trust Units	421,000.00	24,182.00
01/01/2006 to 12/31/2006	1	IAFM Canadian Equities Fund-Quality - Trust Units	40,000.00	4,236.00
01/01/2006 to 12/31/2006	11	IAFM Money Market Fund - Trust Units	344,140.00	34,216.00
01/01/2006 to 12/31/2006	6	IAFM Preferred Shares Fund - Trust Units	100,500.00	9,795.00
04/30/2007	51	IGW Real Estate Investment Trust - Units	2,718,000.00	2,718,000.00
04/23/2007	46	IGW Real Estate Investment Trust - Units	2,284,000.00	2,284,000.00
09/29/2006	1	Infuse Capital Mortgage Investment Corporation - Preferred Shares	100,180.00	100,180.00
01/29/2007	1	International Wayside Gold Mines Ltd. - Notes	76,278.76	N/A
02/16/2007	1	International Wayside Gold Mines Ltd. - Notes	75,000.00	N/A
12/29/2006	1	International Wayside Gold Mines Ltd. - N/A	4,372,156.00	N/A
01/18/2007	1	International Wayside Gold Mines Ltd. - N/A	149,905.18	N/A
04/27/2007	17	Investeco Private Equity Fund II, L.P. - Limited Partnership Units	4,402,907.60	4,171.00
04/24/2007	29	Journey Resources Corp. - Units	753,000.00	2,151,430.00
04/23/2007	1	KBSH Private - Canadian Equity Fund - Units	2,250.00	120.00
04/23/2007	1	KBSH Private - Canadian Equity Value Fund - Units	3,000.00	273.00
04/23/2007	1	KBSH Private - Fixed Income Fund - Units	3,750.00	368.00
04/23/2007	1	KBSH Private - Global Equity Fund - Units	3,000.00	260.00
04/23/2007	1	KBSH Private - Global Value Fund - Units	3,000.00	278.00
04/20/2006	13	Kernow Resources & Developments Ltd. - Common Shares	810,000.00	3,277,000.00
04/25/2007	94	Kinbauri Gold Corp. - Receipts	3,246,611.02	5,964,878.00
04/15/2007	7	Kingwest Avenue Portfolio - Units	758,948.70	21,264.67
04/30/2007	6	Kingwest Avenue Portfolio - Units	857,727.64	24,187.44
04/15/2007	7	Kingwest Avenue Portfolio - Units	758,948.70	21,264.67
04/30/2007	1	Kingwest Canadian Equity Portfolio - Units	78,000.00	5,834.70
04/30/2007	2	Kingwest U.S. Equity Portfolio - Units	127,343.32	7,163.86
04/15/2007	1	Kingwest U.S. Equity Portfolio - Units	6,549.82	363.98
05/03/2007	1	Kirkland Lake Gold Inc. - Common Shares	125,000.40	12,940.00



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/30/2007	2	KWG Resources Inc. - Units	250,000.00	5,000,000.00
04/23/2007 to 04/30/2007	43	Kyoto Capital Partners Inc. - Common Shares	1,472,250.00	5,889,000.00
04/24/2007	15	Luzon Minerals Ltd. - Units	1,010,000.00	10,100,000.00
05/09/2007	4	Maudore Minerals Ltd. - Common Shares	1,216,000.00	4,583,333.00
04/27/2007	13	Meriton Networks Inc. - Notes	5,591,190.01	N/A
04/18/2007	23	Moly Mines Limited - Special Warrants	22,500,000.00	7,500,000.00
04/30/2007	6	Mountainview Asset Management Ltd. - Debentures	725,000.00	N/A
05/31/2006	3	N-able Technologies International Inc. - Preferred Shares	654,576.00	N/A
05/01/2007	34	New World Lenders Corp. - Bonds	3,108,190.00	N/A
05/02/2007	3	Northern Gold Mining Inc. - Common Shares	20,000.00	100,000.00
04/11/2007	12	Opel International Inc. - Units	954,710.88	1,384,000.00
04/10/2007	1	Opus Trust - Notes	60,000,000.00	600,000.00
04/17/2007	2	Osta Biotechnologies Inc. - Common Shares	500,000.00	2,000,000.00
05/02/2007	31	Ottawa Macdonald-Cartier International Airport Authority - Bonds	200,000,000.00	N/A
07/07/2006 to 07/12/2006	18	Paget Resources Corporation - Common Shares	3,500,000.00	3,500,000.00
07/31/2006	5	Paget Resources Corporation - Common Shares	595,000.00	595,000.00
04/17/2007	1	Pelangio Mines Inc. - Common Shares	173,250.00	175,000.00
04/17/2007	23	Pelangio Mines Inc. - Flow-Through Shares	501,200.00	358,000.00
04/23/2007	8	Pennant Energy Inc. - Flow-Through Units	198,720.00	300,000.00
04/25/2007	15	Petro-Reef Resources Ltd. - Flow-Through Shares	3,000,000.00	1,500,000.00
04/30/2007	4	PFC 2017 Pacific Financial Corp. - Bonds	528,000.00	528.00
04/25/2007	23	Plazacorp Retail Properties Ltd. - Bonds	1,810,000.00	N/A
03/27/2007	5	PMIC II Investments Ltd. - Preferred Shares	1,698,085.00	1,698,085.00
04/27/2007	10	PriceMetrix Inc. - Common Shares	3,000,006.66	420,169.00
05/03/2007	58	Prize Mining Corporation - Units	1,558,750.00	6,235,000.00
04/24/2007	3	Pure Diamonds Exploration Inc. - Common Shares	1,265,000.00	5,750,000.00
04/20/2007 to 04/23/2007	43	Ramtelecom Inc. - Units	692,912.00	1,732,280.00
04/26/2007	15	Real Time Measurements Inc. - Common Shares	200,000.00	4,000,000.00
04/23/2007	31	Ressources minières Augyva inc. - Units	1,000,000.00	2,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/20/2007	1	Sextant Strategic Opportunities Hedge Fund LP - Units	5,000.00	190.40
05/01/2007	1	Stacey Investment Limited Partnership - Limited Partnership Units	75,003.18	1,806.00
04/26/2007	50	Stealth Ventures Ltd. - Units	16,600,000.00	13,280,000.00
04/25/2007	9	Stellar Pacific Ventures Inc. - Units	1,000,000.00	4,000,000.00
04/05/2007	25	Sterling Land and Shopping Center Development Fund II- Cdn L.P. - Limited Partnership Units	17,764,480.00	64.00
04/27/2007	1	Stingray Resources Inc. - Common Shares	4,726,010.24	4,219,652.00
05/03/2007	14	Stratabound Minerals Corp. - Flow-Through Shares	576,800.00	1,648,000.00
04/19/2007	2	Superior Offshore International Inc. - Common Shares	2,089,687.50	125,000.00
04/25/2007	10	Takatu Minerals Limited - Units	1,500,000.00	3,000,000.00
04/25/2007	148	Timmins Gold Corp. - Units	6,313,500.00	12,627,000.00
04/30/2007	17	Tyler Resources Inc. - Common Shares	102,050.00	188,980.00
04/06/2006 to 08/29/2006	3	UBS (CH) Equity Fund Japan - Units	15,544.65	70.00
04/27/2007	82	Unbridled Energy Corporation - Units	3,308,250.00	N/A
04/27/2007	2	USPF III Blocker Fund L.P. - N/A	11,153,000.00	N/A
04/27/2007	2	USPF III Direct Feeder L.P. - N/A	16,729,500.00	N/A
04/24/2007	40	Walton International Group Inc. - Notes	1,755,000.00	N/A
04/30/2007	2	Welton Energy Corporation - Common Shares	109,999.16	127,906.00
04/19/2007	2	Western Troy Capital Resources Inc. - Units	3,000,000.00	5,000,000.00
04/17/2007	1	Western Troy Capital Resources Inc. - Units	1,000,000.00	2,000,000.00
04/24/2007	1	Wimberly Apartments Limited Partnership - Units	199,183.00	253,405.00
04/17/2007	94	Yellow Point Equity Partners II Limited Partnership - Limited Partnership Units	36,340,000.00	3,634.00
04/30/2007	20	Zoro Mining Corp. - Units	2,891,200.00	2,080,000.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Harvest Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 15, 2007  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**

\$200,025,000.00 - 6,350,000 Trust Units Price: \$31.50 per Trust Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

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**Project #1103073**

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**Issuer Name:**

Allon Therapeutics Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

\$15,000,000.00 - 12,500,000 Units Price: \$1.20 per Unit

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.  
GMP Securities L.P.  
Cormark Securities Inc.  
Versant Partners Inc.

**Promoter(s):**

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**Project #1102035**

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**Issuer Name:**

Bissett Energy Fund  
(Series A, F and O Units)  
Franklin Templeton U.S. Rising Dividends Fund  
Mutual Beacon Fund  
Mutual Discovery Fund  
(Series T Units)  
Franklin Templeton Balanced Growth Portfolio  
Franklin Templeton Balanced Income Portfolio  
(Series R Units)  
Franklin Templeton Global Growth Portfolio  
Franklin Templeton Growth Portfolio  
(Series T & R Units)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

Series A, F, O, R and T Units

**Underwriter(s) or Distributor(s):**

Franklin Templeton Investments Corp.  
Bissett Investment Management, a division of Franklin Templeton Investments Corp.

**Promoter(s):**

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**Project #1100485**

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**Issuer Name:**

Carlyle Mining Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary CPC Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$200,000.00 - 2,000,000 COMMON SHARES Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Bryce Roxburgh  
Paul Joyce

**Project #1099872**

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**Issuer Name:**

Connacher Oil and Gas Limited  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$87,000,000.00 - 4.75% Convertible Senior Unsecured  
Debentures Due June 30, 2012 Price: \$1,000.00

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
GMP Securities L.P.  
Orion Securities Inc.  
Raymond James Ltd.  
D & D Securities Company  
HSBC Securities (Canada) Inc.  
Desjardins Securities Inc.  
Jennings Capital Inc.

**Promoter(s):**

-

**Project #1098980**

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**Issuer Name:**

Connacher Oil and Gas Limited  
Principal Regulator - Alberta

**Type and Date:**

Amended and Restated Preliminary Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$87,000,000.00 - 4.75% Convertible Senior Unsecured  
Debentures Due June 30, 2012

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
GMP Securities L.P.  
Orion Securities Inc.  
Raymond James Ltd.  
D & D Securities Company  
HSBC Securities (Canada) Inc.  
Desjardins Securities Inc.  
Jennings Capital Inc.

**Promoter(s):**

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**Project #1098980**

**Issuer Name:**

Copper Mountain Mining Corporation  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Prospectus dated May 4, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

Minimum of \$4,940,000.00 - Maximum of \$6,100,000.00 -  
Minimum of \$3,190,000 Offering of Units  
(2,200,000 Units at a price of \$1.45 per Unit) and Maximum  
of \$4,350,000.00 Offering of Units (3,000,000 Units at a  
price of \$1.45 per Unit) \$1,750,000.00 Offering of Flow-  
Through Shares (1,000,000 flow-through shares at a price  
of \$1.75 per Flow-Through Share)

**Underwriter(s) or Distributor(s):**

Raymond James Ltd.

**Promoter(s):**

Compliance Energy Corporation

**Project #1097334**

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**Issuer Name:**

EnCana Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$2,000,000,000.00 - Medium Term Notes (unsecured)

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
HSBC Securities (Canada) Inc.  
Merrill Lynch Canada Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #1099593**

**Issuer Name:**

EPCOR Power Equity Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$125,000,000.00 - (5,000,000 Shares) 4.85% Cumulative Redeemable Preferred Shares, Series 1

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

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**Project #1099630**

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**Issuer Name:**

Espial Group Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
Genuity Capital Markets G.P.

**Promoter(s):**

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**Project #1099409**

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**Issuer Name:**

Fluid Media Networks, Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated May 7, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Paradigm Capital Inc.  
Loewen, Ondaatje, McCutcheon Limited  
Wellington West Capital Markets Inc.

**Promoter(s):**

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**Project #1098060**

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**Issuer Name:**

GOLDEN PREDATOR MINES INC.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

\$11,000,000.00 - 11,000,000 Units Price: \$1.00 per Unit

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
Cormark Securities Inc.  
GMP Securities L.P.

**Promoter(s):**

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**Project #1101803**

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**Issuer Name:**

Huntingdon Capital Inc.  
Principal Regulator - Quebec

**Type and Date:**

Amended and Restated Preliminary Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**

\$ \* - \* Units) Price: \$ \* per Unit each Unit consisting of one Common Share and One-Half of One Common Share Purchase Warrant)

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
Jennings Capital Inc.  
Wellington West Capital Inc.

**Promoter(s):**

Eris Salvatori

**Project #1090745**

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**Issuer Name:**

LE CHATEAU INC.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

\$18,900,000.00 - 300,000 Subordinate Voting Shares Price: \$63.00 per Subordinate Voting Share

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.

**Promoter(s):**

-

**Project #1099389**

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**Issuer Name:**

MGM Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

\$115,261,100.00 - 37,181,000 Common Shares ; and  
\$40,040,000.00 - 10,400,000 Flow-Through Shares

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
Cormark Securities Inc.  
BMO Nesbitt Burns Inc.  
Peters & Co. Limited  
TD Securities Inc.  
FirstEnergy Capital Corp.

**Promoter(s):**

Paramount Resources Inc.  
Project #1101684

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**Issuer Name:**

Neurochem Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

21,375,968 Common Shares

**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

-

Project #1098579

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**Issuer Name:**

Northwest Global Growth and Income Fund  
(Series A, F and I Units)  
Northwest Quadrant Global Portfolio  
(Series A and F Units)  
Northwest Money Market Fund  
(Series I Units)  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated May 15, 2007  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**

Series A, F and I Units

**Underwriter(s) or Distributor(s):**

Northwest Mutual Funds Inc.

**Promoter(s):**

Northwest Mutual Funds Inc.

Project #1102965

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**Issuer Name:**

Portage Minerals Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated May 7, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Peter Taylor  
George Cole  
Project #1097941

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**Issuer Name:**

Provident Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

\$325,000,011.75 - 25,490,197 Subscription Receipts  
Price: \$12.75 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

-

Project #1098689

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**Issuer Name:**

RuggedCom Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Genuity Capital Markets G.P.  
Canaccord Capital Inc.  
CIBC World Makets Inc.  
GMP Securities L.P.

**Promoter(s):**

-

Project #1100605

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**Issuer Name:**

Tethys Petroleum Limited  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

Treasury Offering: \$ \* (Minimum Offering) \$ \* (Maximum Offering) A Minimum of \* and a Maximum of \* Ordinary Shares  
Secondary Offering: Up to \$ \* ( \* Ordinary Shares)  
Price: \$ \* per Offered Share

**Underwriter(s) or Distributor(s):**

Jennings Capital Inc.  
Tristone Capital Inc.  
Haywood Securities Inc.

**Promoter(s):**

CanArgo Energy Corporation  
Project #1100544

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**Issuer Name:**

AGF Elements Balanced Portfolio  
AGF Elements Conservative Portfolio  
AGF Elements Global Portfolio  
AGF Elements Growth Portfolio  
AGF Elements Yield Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated May 7, 2007 to the Simplified Prospectuses and Annual Information Forms dated November 24, 2006  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

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**Promoter(s):**

AGF Funds Inc.  
Project #1004736

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**Issuer Name:**

Algonquin Credit Card Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

(1) \$397,500,000.00 - 4.562% Series 2007-1 Class A Fixed Rate Notes, Expected Final Payment Date of June 15, 2012;  
(2) \$50,000,000.00 - 4.792% Series 2007-1 Class B Fixed Rate Notes, Expected Final Payment Date of June 15, 2012; and  
(3) \$52,500,000.00 - 5.092% Series 2007-1 Class C Fixed Rate Notes, Expected Final Payment Date of June 15, 2012

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Capital One Bank (Canada Branch)  
Project #1096115

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**Issuer Name:**

Claim Post Resources Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

Non-Offering

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Charles M. Gryba  
Richard D. Williams  
Project #1044656

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**Issuer Name:**

Galileo Absolute Return Fund (Class A and F Units)  
Galileo Canadian Active/Passive Fund (Class A and F Units)  
Galileo Fund (Class A and F Units)  
Galileo Global Active/Passive Fund (Class A and F Units)  
Galileo High Income Plus Fund (Class A and F Units)  
Galileo Money Market Fund (Class A Units Only)  
Galileo Small/Mid Cap Fund (Class A and F Units)  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Simplified Prospectuses and Annual Information Forms dated May 4th, 2007, amending and restating Simplified Prospectuses and Annual Information Forms dated November 7, 2006  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**

Class A and F Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Galileo Fund Inc.

**Project #995157**

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**Issuer Name:**

Gentry Resources Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

\$15,000,000.00 - 3,750,000 Common Shares; and  
\$50,000,000.00 - 12,500,000 Subscription Receipts each representing the right to receive one Common Share Price: \$4.00 per Offered Share \$4.00 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
Dundee Securities Corporation  
Westwind Partners Inc.  
CIBC World Markets Inc.  
Cormark Securities Inc.  
National Bank Financial Inc.

**Promoter(s):**

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**Project #1095919**

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**Issuer Name:**

Gold Reserve Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Base PREP Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

Cdn. \$82,176,000.00 - 12,800,000 Class A Common Shares Price: Cdn. \$6.42 per Class A Common Share

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
J.P. Morgan Securities Canada Inc.  
Cormark Securities Inc.

**Promoter(s):**

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**Project #1096757**

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**Issuer Name:**

Gold Reserve Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Base PREP Prospectus dated May 14, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

US \$90,000,000.00 - 5.50% Senior Subordinated Convertible Notes due June 15, 2022 Interest payable June 15 and December 15

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
J.P. Morgan Securities Canada Inc.  
Cormark Securities Inc.

**Promoter(s):**

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**Project #1096759**

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**Issuer Name:**

Harmony Americas Small Cap Equity Pool  
Harmony Balanced and Income Portfolio  
Harmony Balanced Portfolio  
Harmony Canadian Equity Pool  
Harmony Canadian Fixed Income Pool  
Harmony Conservative Portfolio  
Harmony Growth Plus Portfolio  
Harmony Growth Portfolio  
Harmony Maximum Growth Portfolio  
Harmony Money Market Pool  
Harmony Overseas Equity Pool  
Harmony U.S. Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated May 7, 2007 to the Simplified Prospectuses and Annual Information Forms dated January 26, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

AGF Fund Inc.

**Promoter(s):**

AFG Funds Inc.

**Project #1033282**

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**Issuer Name:**

International Nickel Ventures Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

\$16,975,000.00 - 9,700,000 Units PRICE: \$1.75 per Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Canaccord Capital Corporation

**Promoter(s):**

James D. Clucas

**Project #1095707**

**Issuer Name:**

Moly Mines Limited  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

\$22,500,000.00 - 7,500,000 Ordinary Shares to be issued upon the exercise or deemed exercise of 7,500,000 previously issued Special Warrants

**Underwriter(s) or Distributor(s):**

Paradigm Capital Inc.  
Haywood Securities Inc.  
GMP Securities L.P.  
Wellington West Capital Markets Inc.

**Promoter(s):**

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**Project #1090036**

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**Issuer Name:**

MonoGen, Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**

Cdn. \$12,000,000.00 - 12,000,000 Units Price: Cdn. \$1.00 per Unit

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
Canaccord Capital Corporation  
Paradigm Capital Inc.

**Promoter(s):**

-

**Project #1091817**

**Issuer Name:**

Mutual Fund Units of the following Series :  
(Regular, Regular F, High Net Worth, High Net Worth F, Ultra High Net Worth, Wrap and Institutional Front End Load and Deferred Load Series ) of:

NexGen Canadian Cash Registered Fund  
NexGen Canadian Bond Registered Fund  
NexGen Canadian Growth and Income Registered Fund  
NexGen Canadian Balanced Growth Registered Fund  
NexGen Canadian Dividend and Income Registered Fund  
NexGen Canadian Large Cap Registered Fund  
NexGen Canadian Growth Registered Fund  
NexGen North American Dividend and Income Registered Fund  
NexGen North American Large Cap Registered Fund  
NexGen North American Value Registered Fund  
NexGen North American Growth Registered Fund  
NexGen North American Small / Mid Cap Registered Fund  
NexGen American Growth Registered Fund  
-and-

Mutual Fund Shares of the following Series :  
(Regular, Regular F, High Net Worth, High Net Worth F, Ultra High Net Worth, Wrap and Institutional Front End Load and Deferred Load Series ) of:

NexGen Canadian Cash Tax Managed Fund  
-and-  
Mutual Fund Shares of the following Series :  
(Regular, Regular F, High Net Worth, High Net Worth F, Ultra High Net Worth, Wrap and Institutional Front End Load and Deferred Load Series of Capital Gains Class , Return of Capital Class , Dividend Tax Credit Class and Compound Growth Class ) of:  
NexGen Canadian Bond Tax Managed Fund  
NexGen Canadian Growth and Income Tax Managed Fund  
NexGen Canadian Balanced Growth Tax Managed Fund  
NexGen Canadian Dividend and Income Tax Managed Fund  
NexGen Canadian Large Cap Tax Managed Fund  
NexGen Canadian Growth Tax Managed Fund  
NexGen North American Dividend and Income Tax Managed Fund  
NexGen North American Large Cap Tax Managed Fund  
NexGen North American Value Tax Managed Fund  
NexGen American Growth Tax Managed Fund  
NexGen North American Small / Mid Cap Tax Managed Fund  
NexGen North American Growth Tax Managed Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**  
Mutual Fund Units and Shares of the following Series:  
(Regular, Regular F, High Net Worth, High Net Worth F, Ultra High Net Worth, Wrap and Institutional Front End Load and Deferred Load Series)

**Underwriter(s) or Distributor(s):**  
NexGen Financial Limited Partnership

**Promoter(s):**

Nexgen Financial Limited Partnership  
**Project #1080289**

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**Issuer Name:**

Northstar Healthcare Inc.  
Principal Regulator - Ontario

**Type and Date:**  
Final Prospectus dated May 9, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**  
Cdn \$148,074,300.00 - 12,087,698 Common Shares Price: Cdn \$12.25 per Common Share

**Underwriter(s) or Distributor(s):**  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Canaccord Capital Corporation  
Wellington West Capital Markets Inc.

**Promoter(s):**  
Healthcare Ventures, Ltd.  
**Project #1074685**

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**Issuer Name:**

Petro Andina Resources Inc.  
Principal Regulator - Alberta

**Type and Date:**  
Final Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 10, 2007

**Offering Price and Description:**  
\$40,500,000.00 (Minimum Offering); \$60,300,000.00 (Maximum Offering) - A Minimum of 4,500,000 and a Maximum of 6,700,000 Common Shares Price: \$9.00 per Common Share

**Underwriter(s) or Distributor(s):**  
FirstEnergy Capital Corp.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
Tristone Capital Inc.

**Promoter(s):**  
-  
**Project #1079632**

**Issuer Name:**

Skybridge Development Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 15, 2007

**Offering Price and Description:**

\$200,000.00 - 2,000,000 COMMON SHARES Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation

**Promoter(s):**

Patrick Morris

**Project #1079879**

**Issuer Name:**

The Toronto-Dominion Bank  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Base Shelf Prospectus dated May 7, 2007  
Mutual Reliance Review System Receipt dated May 9, 2007

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

TD Securities Inc.

**Promoter(s):**

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**Project #1050603**

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**Issuer Name:**

SSQ Acquisitions Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated May 10, 2007  
Mutual Reliance Review System Receipt dated May 14, 2007

**Offering Price and Description:**

\$200,000.00 -2,000,000 Common Shares Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.

**Promoter(s):**

Ronald Schmeichel

**Project #1075692**

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**Issuer Name:**

Strategic Resource Acquisition Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated May 11, 2007  
Mutual Reliance Review System Receipt dated May 11, 2007

**Offering Price and Description:**

(1) \$105,000,805.00 - \$60,000,805 (12,371,300 Common Shares) \$4.85 Per Common Share; (2) \$45,000,000 .00 - 45,000 Units) \$1,000 Per Unit; and (3) 10,000,000 Common Shares Issuable Upon Exercise of 10,000,000 Previously Issued Special Warrants

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.  
Haywood Securities Inc.  
HSBC Securities (Canada) Inc.  
Octagon Capital Corporation  
Paradigm Capital Inc.

**Promoter(s):**

-

**Project #1069192**

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Chapter 12

**Registrations**

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**NO REPORT FOR THIS WEEK**

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## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 MFDA Sets Date for John Quigley Hearing in Toronto, Ontario

**NEWS RELEASE**  
For immediate release

#### **MFDA SETS DATE FOR JOHN QUIGLEY HEARING IN TORONTO, ONTARIO**

**May 9, 2007** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of John Quigley by Notice of Hearing dated March 21, 2007.

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 Monday, May 28, 2007 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

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

A copy of the Notice of Hearing is available on the MFDA web site at <http://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:*

Yvette MacDougall  
Hearings Coordinator  
(416) 943-4606 or [ymacdougall@mfda.ca](mailto:ymacdougall@mfda.ca)



13.1.2 MFDA Hearing Panel Issues Decision and Reasons Respecting Jean-Pierre Groulx Disciplinary Hearing

**NEWS RELEASE**  
For immediate release

**MFDA HEARING PANEL ISSUES  
DECISION AND REASONS RESPECTING  
JEAN-PIERRE GROULX DISCIPLINARY HEARING**

**May 11, 2007** (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 April 3, 2007 in respect of Jean-Pierre Groulx.

A copy of the Decision and Reasons is available on the MFDA website at [www.mfda.ca](http://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](mailto:sdevlin@mfda.ca)

13.1.3 MFDA Central Regional Council Hearing Panel Makes Findings Against Lorne Henry

**NEWS RELEASE**  
For immediate release

**MFDA CENTRAL REGIONAL COUNCIL  
HEARING PANEL MAKES FINDINGS AGAINST  
LORNE HENRY**

**May 11, 2007** (Toronto, Ontario) – A disciplinary hearing in the Matter of Lorne Henry was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) in Toronto, Ontario.

The Hearing Panel made the following orders at the conclusion of the hearing and advised that it would issue written reasons for its decision in due course:

- A permanent prohibition on the authority of Mr. Henry to conduct securities-related business in any capacity;
- Fines in the aggregate amount of \$350,000; and
- Costs in the amount of \$10,000

A copy of the Notice of Hearing is available on the MFDA web site at [www.mfda.ca](http://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](mailto:sdevlin@mfda.ca)

13.1.4 MFDA Issues Notice of Settlement Hearing Regarding IQON Financial Inc.

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF SETTLEMENT HEARING  
REGARDING IQON FINANCIAL INC.**

**May 14, 2007** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and considerations of a proposed settlement agreement by the Pacific Regional Council.

The settlement agreement will be between staff of the MFDA and IQON Financial Inc. and involves matters for which IQON Financial Inc. may be disciplined by the Regional Council, pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that IQON Financial Inc. allowed an Approved Person to engage in securities related business outside the Respondent contrary to the terms of an undertaking given by the Approved Person that he would not do so and that IQON Financial Inc. failed to fully carry out the terms of an Agreement and Undertaking entered into with Staff of the MFDA to resolve compliance deficiencies identified by Staff of the MFDA.

The hearing is scheduled to commence at 10:00 a.m. (Vancouver) on Thursday, May 24, 2007 at a Hearing Room at the Fairmont Hotel Vancouver located at 900 West Georgia Street, Vancouver, British Columbia. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the Notice of Settlement Hearing is available on the MFDA website at [www.mfda.ca](http://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](mailto:sdevlin@mfda.ca)

13.1.5 MFDA Issues Notice of Settlement Hearing Regarding Altimum Mutuals Inc.

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF SETTLEMENT HEARING  
REGARDING ALTIMUM MUTUALS INC.**

**May 14, 2007** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and considerations of a proposed settlement agreement by the Central Regional Council.

The settlement agreement will be between staff of the MFDA and Altimum Mutuals Inc. and involves matters for which Altimum Mutuals Inc. may be disciplined by the Regional Council, pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that Altimum Mutuals Inc distributed misleading sales communications to clients contrary to MFDA Rules 2.7.2 and 2.1.1(c).

The hearing is scheduled to commence at 10:00 a.m. on Friday, June 15, 2007 at the offices of the MFDA, located at 121 King Street, Suite 1000 in Toronto. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the Notice of Settlement Hearing is available on the MFDA website at [www.mfda.ca](http://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](mailto:sdevlin@mfda.ca)

13.1.6 MFDA Adjourns Cory Piggott First Appearance to June 1, 2007

**NEWS RELEASE**  
For immediate release

**MFDA ADJOURNS CORY PIGGOTT  
FIRST APPEARANCE TO JUNE 1, 2007**

**May 15, 2007** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Cory Piggott by Notice of Hearing dated March 21, 2007.

As specified in the Notice of Hearing, the first appearance in this proceeding commenced today at 10:00 a.m. (Eastern) before a 3-member Hearing Panel of the MFDA Central Regional Council. Following consideration of submissions from Mr. Piggott, the Hearing Panel adjourned the first appearance in this proceeding to Friday June 1, 2007 at 10:00 a.m. (Eastern) or as soon thereafter as can be held. It will take place by teleconference before the Hearing Panel in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters. It is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://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 163 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](mailto:sdevlin@mfda.ca)

13.1.7 MFDA Sets Date for Robert Brick Hearing in Toronto, Ontario

**NEWS RELEASE**  
For immediate release

**MFDA SETS DATE FOR ROBERT BRICK  
HEARING IN TORONTO, ONTARIO**

**May 15, 2007** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Robert Brick by Notice of Hearing dated March 28, 2007.

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 Thursday, June 28, 2007 at 10:30 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

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

A copy of the Notice of Hearing is available on the MFDA web site at [www.mfda.ca](http://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 163 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

Yvette MacDougall  
Hearings Coordinator  
(416) 943-4606 or [ymacdougall@mfda.ca](mailto:ymacdougall@mfda.ca)

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