

The Ontario Securities Commission

OSC Bulletin

June 15, 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

JUNE 15, 2007

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
 Ontario Securities Commission
 Cadillac Fairview Tower
 Suite 1700, Box 55
 20 Queen Street West
 Toronto, Ontario
 M5H 3S8

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Late Mail depository on the 19th Floor until 6:00 p.m.

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

SCHEDULED OSC HEARINGS

June 18, 2007
 10:00 a.m.
Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney

s. 127 and 127.1

J. Superina in attendance for Staff

Panel: RLS/DLK/ST

June 21, 2007
 10:00 a.m.
Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers*

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: WSW/CSP

* Settled April 4, 2006

June 25, 2007
 2:15 p.m.
Jason Wong, David Watson, Nathan Rogers, Amy Giles, John sparrow, Kervin Findlay, Leasesmart, Inc., Advanced Growing Systems, Inc., Pharm Control Ltd., The Bighub.com, Inc., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: JEAT/ST

June 29, 2007
 10:00 a.m.
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: PJL/ST

July 5, 2007 10:00 a.m.	Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries s. 127 & 127.1 P. Foy in attendance for Staff Panel: WSW/MCH	October 9, 2007 10:00 a.m.	John Daubney and Cheryl Littler s. 127 and 127.1 A.Clark in attendance for Staff Panel: TBA
July 5, 2007 11:30 a.m.	Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas s.127 M. MacKewn in attendance for Staff Panel: WSW/DLK	October 12, 2007 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton s. 127 H. Craig in attendance for Staff Panel: TBA
July 9, 2007 10:00 a.m.	*AiT Advanced Information Technologies Corporation, *Bernard Jude Ashe and Deborah Weinstein s. 127 K. Manarin in attendance for Staff Panel: TBA * Settlement Agreements approved February 26, 2007	October 22, 2007 10:00 a.m.	Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin s. 127 H. Craig in attendance for Staff Panel: TBA
July 17, 2007 2:00 p.m.	Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues) s.127 and 127.1 D. Ferris in attendance for Staff Panel: TBA	October 29, 2007 10:00 a.m.	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited S. 127 A. Sonnen in attendance for Staff Panel: TBA
September 6, 2007 10:00 a.m.	Jose Castaneda s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/DLK	November 12, 2007 10:00 a.m.	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulbee and Peter Y. Atkinson s.127 J. Superina in attendance for Staff Panel: TBA
		December 10, 2007 10:00 a.m.	Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans s. 127 & 127(1) H. Craig in attendance for Staff Panel: TBA

TBA	<p>Yama Abdullah Yaqeen</p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: WSW/ST/MCH</p>
TBA	<p>John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir</p> <p>S. 127 & 127.1</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Frank Dunn, Douglas Beatty, Michael Gollogly</p> <p>s.127</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Euston Capital Corporation and George Schwartz</p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels</p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services</p> <p>s. 127 and 127.1</p> <p>S. Horgan in attendance for Staff</p> <p>Panel: RLS/DLK/MCH</p>
TBA	<p>*Philip Services Corp. and Robert Waxman</p> <p>s. 127</p> <p>K. Manarin/M. Adams in attendance for Staff</p> <p>Panel: TBA</p> <p>Colin Soule settled November 25, 2005</p> <p>Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006</p> <p>* Notice of Withdrawal issued April 26, 2007</p>	TBA	<p>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.</p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: WSW/DLK/ST</p>

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

1.1.2 Notice of Ministerial Approval - Ontario Amending Instruments Amending MI 33-109 Registration Information and MI 31-102 National Registration Database

**NOTICE OF MINISTERIAL APPROVAL
ONTARIO AMENDING INSTRUMENTS
AMENDING
MULTILATERAL INSTRUMENT 33-109
REGISTRATION INFORMATION AND
MULTILATERAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE**

On March 19, 2007, the Minister responsible for the oversight of the Commission approved, pursuant to subsection 143.3(3) of the *Securities Act* (Ontario), amendment instruments (the **Amendment Instruments**) that amend Multilateral Instrument 33-109 *Registration Information* and Multilateral Instrument 31-102 *National Registration Database* in Ontario.

The Amendment Instruments were previously published in the Bulletin on February 23, 2007. **The Amendment Instruments came into force in Ontario on May 15, 2007.**

The Amending Instruments, together with unofficial consolidations and associated Companion Policies, are republished in Chapter 5 of this Bulletin and are available at www.osc.gov.on.ca.

1.1.3 Notice of Request for Comments - Joint Forum Proposed Framework 81-406 Point of Sale Disclosure for Mutual Funds and Segregated Funds

NOTICE OF REQUEST FOR COMMENTS

**JOINT FORUM OF FINANCIAL MARKET REGULATORS
PROPOSED FRAMEWORK 81-406
POINT OF SALE DISCLOSURE
FOR
MUTUAL FUNDS AND SEGREGATED FUNDS**

Today, the Joint Forum of Financial Market Regulators (Joint Forum) released for public comment a proposed framework (Framework) for point of sale disclosure for mutual funds and segregated funds. The Framework is published in today's supplement to the Bulletin.

A key element of the Framework is a new two-page document called "Fund Facts" which highlights critical information for investors, including performance, risk and cost. This information will be provided to investors when they need it most – before they make their decision to buy a fund.

Copies of the Framework are available from the websites of:

- the Joint Forum (www.jointforum.ca),
- the Canadian Securities Administrators (www.csa-acvm.ca)
- the Canadian Council of Insurance Regulators (www.ccir-ccrra.org)
- the Ontario Securities Commission (www.osc.gov.on.ca)
- the Financial Services Commission of Ontario (www.fsco.gov.on.ca)

The Joint Forum encourages all interested parties to review and comment on the Framework. Comments will be accepted until October 15, 2007 and should be sent to:

Joint Forum Project Office
Joint Forum of Financial Market Regulators
5160 Yonge St.
Box 85, 17th Floor
North York, ON
M2N 6L9
jointforum@fsco.gov.on.ca

The Joint Forum consists of representatives from the Canadian Association of Pension Supervisory Authorities (CAPSA), the Canadian Council of Insurance Regulators (CCIR) and the Canadian Securities Administrators (CSA). The goal of the Joint Forum is to continuously improve the financial services regulatory system through greater harmonization, simplification and co-ordination of regulatory activities.

1.1.4 CSA Revised Staff Notice 13-315 Securities Regulatory Authority Closed Dates 2007

**CANADIAN SECURITIES ADMINISTRATORS'
REVISED STAFF NOTICE 13-315
SECURITIES REGULATORY AUTHORITY
CLOSED DATES 2007
AMENDED**

This schedule has been amended from that originally published on January 26, 2007. The only amendment is to reflect that the *Autorité des marchés financiers du Québec* will be closed on January 2, 2008.

We have a mutual reliance review system (MRRS) for prospectuses (including long form, short form and mutual fund prospectuses), prospectus amendments, waiver applications and pre-filings. It is described in National Policy 43-201 Mutual Reliance Review System for Prospectuses.

The principal regulator will only issue a MRRS decision document evidencing the receipt of non-principal regulators that are open on the date of the MRRS decision document. The principal regulator will issue a MRRS decision document evidencing the receipt of the remaining non-principal regulators on the next day that they are open. These procedures are described in section 7.8 of the Policy.

A dealer may only solicit expressions of interest in a non-principal jurisdiction after a receipt has been issued by that jurisdiction. In addition, an issuer may only distribute its securities in the non-principal jurisdiction at that time.

The following is a list of the closed dates of the securities regulatory authorities for 2007. These dates should be noted by issuers in structuring their affairs.

Securities Regulatory Closed Dates 2007*

1. Saturdays and Sundays (all)
2. Monday January 1, 2007 (all)
3. Tuesday January 2 (QC)
4. Monday February 19 (SK)
5. Friday February 23 (YT)
6. Monday March 19 (NL)
7. Friday April 6 (all)
8. Monday April 9 (all except AB, SK, ON, NL)
9. Monday April 23 (NL)
10. Monday May 21 (all)
11. Thursday June 21 (NT)
12. Monday June 25 (QC, NL)
13. Monday July 2 (all)
14. Monday July 9 (NL, NU)
15. Wednesday August 1 (NL**)
16. Friday August 3 (SK)
17. Monday August 6 (all except QC, NL, PE, YT)
18. Friday August 17 (PE)
19. Monday August 20 (YT)
20. Monday September 3 (all)
21. Monday October 8 (all)
22. Monday November 12 (all except AB, ON, QC)

- 23. Monday December 24 (QC, NB)
- 24. Monday December 24 after 12:00 p.m. (NS, PE);
after 1:00 p.m. (BC, MB)
- 25. Tuesday December 25 (all)
- 26. Wednesday December 26 (all)
- 27. Monday December 31 (QC)
- 28. Monday December 31 after 12:00 p.m. (NB); after
1:00 p.m. (BC)
- 29. Tuesday January 1, 2008 (all)
- 30. Wednesday January 2, 2008 (QC)

*Bracketed information indicates those jurisdictions that are closed on the particular date.

**Weather permitting, otherwise observed on the first following acceptable weather day, such determination made on morning of holiday.

June 15, 2007

1.3 News Releases

1.3.1 Date Set for the New Trial of Andrew Rankin

**FOR IMMEDIATE RELEASE
June 7, 2007**

**DATE SET FOR THE NEW TRIAL OF
ANDREW RANKIN**

TORONTO – The new trial with respect to Andrew Rankin on 10 counts of “tipping” contrary to section 76(2) of the *Securities Act*, will commence on February 18, 2008 in Courtroom 502, College Park Courthouse (444 Yonge Street, Toronto, Ontario). The date was fixed by the court, on consent of the parties. The new trial is scheduled to run until March 28, 2008.

The charges on which the new trial against Mr. Rankin will take place are contained at paragraphs 1, 3, 5, 7, 9, 11, 13, 15, 17 and 19 in Appendix “A” to the original Information dated February 2, 2004. This Information is located on the OSC website at www.osc.gov.on.ca.

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416-593-8314
1-877-785-1555 (Toll Free)

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 BTB Real Estate Investment Trust - MRRS Decision

Headnote

MRRS – Relief to provide audited financial statements in a BAR. The audited financial statements cannot be provided because historical data are not available. Issuer to provide alternative financial information in the BAR.

Applicable National Instruments

National Instrument 51-102 - Continuous Disclosure Obligations, s. 8.4.

Translation

May 28, 2007

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

AND

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

AND

**IN THE MATTER OF
BTB REAL ESTATE INVESTMENT TRUST (THE
“FILER”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) to grant an exemption from the continuous disclosure obligation to include the financial statements in a business acquisition report (“BAR”) in connection with the Significant Acquisition (as defined below) as required by subsection 8.4(1) of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI51-102”) (the “Requested Relief”).

Application of Principal Regulator System

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

- (a) the Autorité des marchés financiers is the principal regulator for the Filer;
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. the Filer has been created pursuant to a declaration of trust dated July 12, 2006 as amended and restated on August 1st, 2006;
2. the Filer’s head office is located at 1000 De La Gauchetière Street West, Suite 2900, Montreal, Québec, H3B 4W5;
3. the Filer has been a reporting issuer in all Canadian provinces since September 26, 2006;
4. the Filer’s units have been listed on the TSX Venture Exchange under the symbol BTB since October 3, 2006;
5. the Filer is a Venture Issuer according to NI 51-102;
6. the Filer’s financial year-end is December 31;
7. the Filer filed, on April 30, 2007, its audited consolidated financial statements for the year ended December 31, 2006;
8. the Filer acquired eight real estate properties on February 1st, 2007 for approximately \$ 26,000,000 (the “Significant Acquisition”);
9. this Significant Acquisition consisted of a portfolio of mixed-use office, commercial and light industrial buildings under common control and management (the “Acquired Properties”);

10. the value of the Acquired Properties on February 1st, 2007 is the same as on December 31, 2006;
11. the Filer shall file a BAR in connection with the Significant Acquisition at the latest on May 31, 2007, pursuant to paragraph 8.2 (2)(b) of NI 51-102;
12. the Filer is required to provide audited financial statements of the Significant Acquisition for a minimum of one year in the BAR;
13. the financial statements of the Acquired Properties have never been audited;
14. the books, records and other justificatory documents pertaining to the Acquired Properties are not available and it is impracticable to provide the financial statements required pursuant to item 8.4 of NI-51-102;
15. the Acquired Properties have been owned by the sellers for more than 15 years;
16. the Acquired Properties have been self-constructed more than 15 years ago and, as such, the sellers do not have information on hand which provides a basis to validate the accounting historical cost;
17. the Filer will provide the purchase price of the Acquired Properties as of December 31, 2006, which purchase price is based on the value of the Acquired Properties as at February 1st, 2007;
18. the Filer is not in default of his continuous disclosure obligations under the Legislation.

Decision

The Decision Makers being satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted provided that the following financial statements are filed in the required BAR :

1. an audited statement of assets purchased and liabilities assumed as at December 31, 2006 and an audited combined statement of income before amortization, interest and taxes (the "Statement of Income") for the properties comprising the Significant Acquisition for the year ended December 31, 2006 including unaudited comparative figures as of December 31, 2005 for the Statement of Income;
2. unaudited consolidated pro forma financial statements of the Filer giving effect to the Significant Acquisition as at December 31, 2006.

"Josée Deslauriers"
Director of Capital Markets
Autorité des marchés financiers

2.1.2 Summit Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by reporting issuer for a decision that it is not a reporting issuer - Issuer's outstanding securities consist of units (Units) and senior unsecured debentures (Debentures) - No securities of the issuer trade on any market or exchange - ING Real Estate Canada Trust (INGREC) is the sole holder of the Units - ING Summit Industrial Fund LP (Industrial LP), an indirect affiliate of INGREC, is the successor entity to the issuer as a result of a reorganization whereby Industrial LP acquired substantially all of the issuer's assets and all of the issuer's material obligations and liabilities, including those in respect of the Debentures - Industrial LP has become, or has made an application to become, a reporting issuer in all of the jurisdictions in which the issuer is a reporting issuer - Issuer will, for tax reasons, continue to be bound to make payments under the Debentures as a co-borrower - Payment obligations in respect of the Debentures will be made by Industrial LP and issuer will have no material independent assets to support payment obligations - Industrial LP has assumed obligation under Debenture trust indenture to provide financial statements to holders of Debentures - As a reporting issuer, Industrial LP will provide holders of Debentures with continuous disclosure documents required by securities laws - Requested relief granted.

Applicable Ontario Statutory Provisions

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

June 1, 2007

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

AND

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

AND

**IN THE MATTER OF
SUMMIT REAL ESTATE INVESTMENT TRUST
(the "Filer")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer is not a reporting issuer in each of the Jurisdictions (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

- 1. The Filer is a trust formed pursuant to the laws of the Province of Ontario and governed by an amended and restated declaration of trust dated as of January 15, 2007 (the “**Declaration of Trust**”).
- 2. The head office of the Filer is located at 220 Bay Street, 12th Floor, Toronto, ON M5J 2W4.
- 3. In the fall of 2006, ING Real Estate Canada Trust (“**INGREC**”) made a formal take-over bid (the “**Offer**”) for all of the issued and outstanding units of the Filer (the “**Units**”), which Offer expired on October 11, 2006. In January 2007, INGREC successfully completed the acquisition of 100% of the Units by way of a subsequent acquisition transaction involving the redemption of all remaining Units not then owned by INGREC, resulting in INGREC being the sole Unitholder of the Filer. The Units were subsequently delisted from the Toronto Stock Exchange (the “**TSX**”) effective January 26, 2007.
- 4. INGREC is owned indirectly as to 50% by ING Groep N.V. ING Groep N.V. is one of the world’s largest financial services companies with securities listed on several stock exchanges, including the New York Stock Exchange. ING Industrial Fund indirectly holds the remaining 50% interest in INGREC. ING Industrial Fund is a substantial property trust listed on the Australian Stock Exchange.

- 5. Prior to the completion of the Offer, the Filer also had 6.25% convertible debentures due March 31, 2014 (the “**Convertible Debentures**”) listed on the TSX. All of the Convertible Debentures were converted into Units or redeemed in January 2007 in connection with the completion of the acquisition of 100% of the Units by INGREC.
- 6. The Filer does not have any securities outstanding, including debt securities, other than:
 - (a) Two Units held by INGREC,
 - (b) 5.70% Series A senior unsecured debentures due November 10, 2011 in the aggregate principal amount of \$115,000,000 (the “**Series A Debentures**”), and
 - (c) 5.38% Series B senior unsecured debentures due March 1, 2012 in the aggregate principal amount of \$100,000,000 (the “**Series B Debentures**”) (the Series A Debentures and the Series B Debentures, collectively, the “**Debentures**”).

The Debentures are not (and have never been) listed on any exchange or market.

- 7. As of May 9, 2007, (i) an aggregate principal amount of \$114,607,000 Series A Debentures remained outstanding and were beneficially held by approximately 729 residents in the Jurisdictions and (ii) an aggregate principal amount of \$83,200,000 Series B Debentures remained outstanding and were beneficially held by approximately 45 residents in the Jurisdictions.
- 8. As of May 9, 2007, the approximate number of beneficial holders of the Debentures in each of the Jurisdictions is as follows:

<u>Jurisdiction</u>	<u>Series A Debenture Holders</u>	<u>Series B Debenture Holders</u>
Alberta	86	1
British Columbia	132	2
Manitoba	29	-
Nova Scotia	7	-
Ontario	347	39
Québec	109	3
Saskatchewan	19	-

9. Effective as of April 1, 2007, a reorganization of the Filer was effected which, through a series of steps, resulted in ING Summit Industrial Fund LP (“**Industrial LP**”) becoming the successor issuer to the Filer (the “**Reorganization**”).
10. Industrial LP is a limited partnership formed pursuant to the laws of the Province of Manitoba on March 22, 2007. The general partner of Industrial LP is ING Summit Industrial Fund GP Inc., a corporation formed pursuant to the laws of the Province of Ontario and which holds approximately a 0.1% interest in Industrial LP. Industrial LP was formed for the purposes of the Reorganization and is an indirect affiliate of INGREC.
11. Pursuant to the Reorganization, Industrial LP (i) acquired substantially all of the assets of the Filer and (ii) assumed all of the material obligations and liabilities of the Filer, including the Filer’s obligations and liabilities under the Debentures. The Filer no longer holds any material assets (other than certain rights of indemnity by Industrial LP, including for losses in relation to the Debentures).
12. While, under the terms of the Debentures, the Filer was entitled upon the Reorganization becoming effective to be completely released from any related obligations, this could have resulted in adverse tax consequences to the holders of the Debentures. Accordingly, the Filer has agreed to continue to be bound to make payments under the Debentures as a co-borrower. The Filer does not foresee any circumstances which would result in it being unable to act as a co-borrower of the Debentures.
13. The payment obligations in respect of the Debentures will be made by Industrial LP. The Filer will have no material independent assets to support the payment obligations under the Debentures and does not expect to make any payments in respect of the Debentures.
14. The Declaration of Trust does not contain a provision requiring the Filer to maintain its status as a reporting issuer, nor does it contain a provision requiring the Filer to provide continuous disclosure documents to holders of the Debentures. The trust indenture dated as of November 10, 2004 (as amended) in respect of the Debentures provides that, in the event the Filer ceases to be a reporting issuer, it will continue to provide financial statements to holders of the Debentures as if the Filer were a reporting issuer. As successor issuer to the Filer, Industrial LP has assumed this obligation to continue to provide financial statements.
15. As a result of the Reorganization, Industrial LP, by operation of law, became a reporting issuer in each of British Columbia, Saskatchewan, Manitoba, Québec and Nova Scotia. Concurrent with the Filer’s application for the Requested Relief, Industrial LP has submitted an application to the securities regulatory authority or regulator in each of the provinces of Alberta, Ontario, New Brunswick and Newfoundland and Labrador to become a reporting issuer under the securities legislation of each such province.
16. As a reporting issuer, Industrial LP will provide holders of Debentures with continuous disclosure documents as required by the Legislation, including filings of interim and annual financial statements and the related management’s discussion and analysis of Industrial LP.
17. Upon the occurrence of any material change to Industrial LP (including any material change involving the rights or obligations of the Filer under the Debentures), the holders of the Debentures shall receive all relevant information from the material change reports required to be filed by Industrial LP under the Legislation.
18. The Filer does not have securities listed or posted for trading on any marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
19. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation. By an order of the Decision Makers dated March 30, 2007, the Filer was granted relief from the requirement under the Legislation to file an annual information form for its financial year ended December 31, 2006.
20. The Filer is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.
21. The Filer does not intend to seek financing by way of a public offering of its securities.
22. On April 3, 2007, the Filer issued and filed a news release announcing that (i) the Reorganization had been completed, (ii) Industrial LP is the successor to the Filer, (iii) Industrial LP has acquired all of the Filer’s industrial properties and related obligations including the obligations under the Debentures, and (iv) the Filer will remain a co-borrower under the Debentures. The Filer’s issuer profile on the System for Electronic Document Analysis and Retrieval (SEDAR) has been updated to indicate that the Filer is the previous issuer to Industrial LP.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

Maker with the jurisdiction to make the decision has been met.

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

“Harold P. Hands”
Commissioner
Ontario Securities Commission

“Wendell S. Wigle”
Commissioner
Ontario Securities Commission

2.1.3 ING Summit Industrial Fund LP - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application for a decision that an issuer be a reporting issuer - Issuer is the successor entity to Summit Real Estate Investment Trust (Summit REIT) as a result of a reorganization whereby issuer acquired substantially all of the assets and all of the material obligations and liabilities of Summit REIT - As a result of the reorganization, issuer became a reporting issuer in certain jurisdictions in Canada by operation of law - Issuer is applying for relief so that it will be a reporting issuer in all of the jurisdictions in which Summit REIT is a reporting issuer - Summit REIT has applied to the securities regulatory authority or regulator in each jurisdiction in which it is a reporting issuer to not be a reporting issuer - Requested relief granted.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11).

June 1, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO, NEW BRUNSWICK AND
NEWFOUNDLAND AND LABRADOR
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
ING SUMMIT INDUSTRIAL FUND LP
(the “Filer”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer be a reporting issuer in each of the Jurisdictions (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. The Filer is a limited partnership formed pursuant to the laws of the Province of Manitoba on March 22, 2007. The general partner of the Filer is ING Summit Industrial Fund GP Inc., a corporation formed pursuant to the laws of the Province of Ontario and which holds approximately a 0.1% interest in the Filer.
2. The head office of the Filer is located at 220 Bay Street, 12th Floor, Toronto, ON M5J 2W4.
3. In the fall of 2006, ING Real Estate Canada Trust ("INGREC") made a formal take-over bid (the "Offer") for all of the issued and outstanding units (the "Units") of Summit Real Estate Investment Trust ("Summit"), which Offer expired on October 11, 2006. In January 2007, INGREC successfully completed the acquisition of 100% of the Units by way of a subsequent acquisition transaction involving the redemption of all remaining Units not then owned by INGREC, resulting in INGREC being the sole Unitholder of the Filer.
4. Industrial LP is an indirect affiliate of INGREC and was formed in connection with a reorganization of Summit (which was completed effective April 1, 2007) which, through a series of steps, resulted in the Filer becoming the successor issuer to Summit (the "Reorganization").
5. Pursuant to the Reorganization, Industrial LP (i) acquired substantially all of the assets of the Filer and (ii) assumed all of the material obligations and liabilities of the Filer, including the Filer's obligations and liabilities under its outstanding 5.70% Series A senior unsecured debentures due November 10, 2011 in the aggregate principal amount of \$115,000,000 and 5.38% Series B senior unsecured debentures due March 1, 2012 in the aggregate principal amount of \$100,000,000 (collectively, the "Debentures"). The Debentures are not (and have never been) listed on any exchange or market. Summit no longer holds any material assets but remains a co-borrower of the Debentures.
6. Summit is a reporting issuer in each of the provinces in Canada, except Prince Edward Island (the "Reporting Jurisdictions"). Concurrent with the Filer's application for the Requested Relief, Summit has submitted an application to the securities regulatory authority or regulator in each

of the Reporting Jurisdictions for a decision that Summit is not a reporting issuer under the securities legislation of the Reporting Jurisdictions.

7. As a result of the Reorganization, Industrial LP, by operation of law, became a reporting issuer in each of British Columbia, Saskatchewan, Manitoba, Québec and Nova Scotia but did not, by operation of law, automatically become a reporting issuer in any of the Jurisdictions.
8. The Filer is applying for the Requested Relief so that it will be a reporting issuer in all of the Reporting Jurisdictions.
9. The trust indenture dated as of November 10, 2004 (as amended) in respect of the Debentures provides that, in the event Summit ceases to be a reporting issuer, it will continue to provide financial statements to holders of the Debentures as if Summit were a reporting issuer. As successor issuer to Summit, the Filer has assumed this obligation to continue to provide financial statements.
10. As a reporting issuer, the Filer will provide holders of Debentures with continuous disclosure documents as required by the securities legislation of the Reporting Jurisdictions, including filings of interim and annual financial statements and the related management's discussion and analysis of the Filer.
11. Upon the occurrence of any material change to the Filer (including any material change involving the rights or obligations of Summit under the Debentures), the holders of the Debentures shall receive all relevant information from the material change reports required to be filed by the Filer under the securities legislation of the Reporting Jurisdictions.
12. The Filer is not in default of any of its obligations as a reporting issuer under Canadian securities legislation.
13. The Filer has no current intention to seek financing by way of a public offering of its 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.

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

"Harold P. Hands"
Commissioner
Ontario Securities Commission

“Wendell S. Wigle”
Commissioner
Ontario Securities Commission

2.1.4 GlobalBanc Advantaged 8 Split Corp. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.4(2), 2.4(3), 2.6(a), 2.7(1)(a), 2.7(4), 3.3, 10.3, 10.4(1), 12.1(1), 14.1.

June 6, 2007

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

AND

IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 - MUTUAL FUNDS

AND

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

AND

IN THE MATTER OF
GLOBALBANC ADVANTAGED 8 SPLIT CORP.
(the “Filer”)

MRRS DECISION DOCUMENT

BACKGROUND

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filer for a decision under section 19.1 of National Instrument 81-102 - *Mutual Funds* (the “**Legislation**”) that the following sections of the Legislation (collectively, the “**Requested Relief**”) will not apply to the Filer with respect to the Preferred Shares and the Class A Shares (each as defined below):

- (a) subsection 2.1(1), which prohibits a mutual fund from entering into a specified derivatives transaction if, immediately after the transaction, more than 10% of the net assets of the mutual

fund, taken at market value at the time of the transaction, would be invested in securities of any issuer;

- (b) subsections 2.4(2) and (3), which contain prohibitions on the amount of illiquid assets that may be held by a mutual fund;
- (c) subsection 2.6(a), which prohibits a mutual fund from borrowing cash or providing a security interest over any of its portfolio assets except in compliance with subsection 2.6(a);
- (d) subsection 2.7(1)(a), which prohibits a mutual fund from purchasing an option that is not a clearing corporation option or entering into a swap or a forward contract unless specified criteria are complied with;
- (e) subsection 2.7(4), which prohibits a mutual fund from having the mark-to-market value of its exposure to any one counterparty in respect of its specified derivatives positions in excess of 10% of the net assets of the mutual fund for a period of 30 days or more;
- (f) section 3.3, which prohibits the costs of incorporation, formation or initial organization of a mutual fund from being borne by the mutual fund or its securityholders;
- (g) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order;
- (h) subsection 10.4(1), which requires that a mutual fund shall pay the redemption price for securities that are the subject of a redemption order within three business days after the date of calculation of the net asset value per security used in establishing the redemption price;
- (i) subsection 12.1(1), which requires a mutual fund that does not have a principal distributor to complete and file a compliance report, and accompanying letter of the auditor, in the form and within the time period mandated by subsection 12.1(1); and
- (j) section 14.1, which requires that the record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund shall be calculated in accordance with section 14.1.

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

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

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

INTERPRETATION

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

REPRESENTATIONS

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

The Filer

1. The Filer is a mutual fund corporation incorporated under the laws of Ontario pursuant to articles of incorporation dated May 1, 2007.
2. National Bank Financial Inc. (the “**Administrator**”) will be the administrator of the Filer and will be responsible for providing or arranging for the provision of administrative services required by the Filer. The head office of the Administrator is in Ontario.

The Offerings

3. The Filer will be issuing preferred shares (the “**Preferred Shares**”) and class A shares (the “**Class A Shares**”) (together referred to as the “**Shares**”).
4. The offerings of Preferred Shares and Class A Shares by the Filer are a one-time offering and the Filer will not continuously distribute the Shares.

- (a) The Filer’s investment objectives with respect to the Preferred Shares are:

- (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions that are expected to consist of non-taxable returns of capital and capital gains in the amount of \$0.1125 per Preferred Share, representing a yield on the issue price of the Preferred Shares of 4.5% per annum; and

- (ii) to return the original issue price of the Preferred Shares at the time of redemption of such Preferred Shares on December 15, 2012; and

with respect to the Class A Shares are:

- (ii) to provide holders of Class A Shares with the opportunity for leveraged growth in net asset value per Class A Share after the repayment of the original issue price of the Preferred Shares; and
 - (iv) to provide holders of Class A Shares with cash distributions that are expected to consist of non-taxable returns of capital and capital gains as and when declared by the board of directors.
5. The Shares will be redeemable at the option of the holder on a monthly and annual basis at a price computed by reference to the value of a proportionate interest in the net assets of the Filer. As a result, the Filer will be a "mutual fund" under applicable securities legislation.
6. The Filer was created to provide holders of its shares with tax-efficient exposure to the price performance and dividend payments (including any increases thereof) of an initially equally weighted basket of securities consisting of eight of the world's largest banks (each a "Bank" and all of them collectively, the "Banks"). Each of the Banks will initially constitute approximately 12.5% of the market value of the portfolio securities (the "Bank Portfolio"). Each of the Banks (i) is rated AA- or better by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or an equivalent rating agency (ii) is one of the 30 largest banks in the world by market capitalization and (iii) pays a dividend which has had a compound annual growth rate over the last 5 years of in excess of 10%.
7. In order to gain exposure to the price performance and dividend payments (including any increases thereof) of the Bank Portfolio, the Filer will apply the net proceeds of the offering to purchase a portfolio (the "Canadian Securities Portfolio") consisting of securities of certain Canadian public issuers listed on the TSX that qualify as "Canadian securities" for purpose of the *Income Tax Act*. The Filer will then enter into a Forward Agreement (the "Forward Agreement") with National Bank of Canada ("NBC") and/or one of its affiliates whose obligations are guaranteed by NBC (the "Counterparty") pursuant to which the Filer will agree to transfer on or about December 15, 2012 the Canadian Securities Portfolio to the Counterparty in exchange for an amount determined by reference to the Canadian dollar value of the Bank Portfolio. In order to secure its obligation under the Forward Agreement, the Canadian Securities Portfolio will be pledged to the Counterparty.

8. A preliminary prospectus of the Filer dated May 1, 2007 (the "Preliminary Prospectus") has been filed with the securities regulatory authorities in each of the Jurisdictions and the Ontario Securities Commission, as principal regulator, has issued a preliminary decision document dated May 1, 2007.
9. The Filer is authorized to borrow an amount not exceeding 5% of the net assets of the Filer at the time of borrowing for the purpose of paying redemptions and for working capital purposes and is authorized to pledge its assets to secure such borrowings.

The Shares

10. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the "TSX").
11. The description of the redemption process in the Preliminary Prospectus contemplates that the redemption price for the Preferred Shares and the Class A Shares will be determined as of the redemption date, being the second last business day of the month (the "Redemption Date"). As requests for redemptions may be made at any time during the month and are subject to a cut-off date (at least five business days prior to the Redemption Date), redemptions may not be implemented at a price equal to the net asset value next determined after receipt of the redemption request.
12. The redemption procedures described in the Preliminary Prospectus provide that shareholders will receive payment on or before the eighth business day following the applicable Redemption Date.
13. The Preferred Shares have been provisionally rated Pfd-2 by DBRS Limited.
14. The Filer will make quarterly distributions to holders of Preferred Shares and will make distributions to holders of Class A Shares as and when declared by the board of directors. The record date for shareholders entitled to receive such distributions will be determined in accordance with the requirements of the TSX.

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 on the following basis:

- (a) **Subsection 2.1(1)** – to permit the Filer to enter into and maintain a position in the Forward Agreement (and any replacement or assignment of that agreement) for which the payment obligations of the Counterparty will be determined by reference to the performance of the Bank Portfolio;
- (b) **Subsections 2.4(2) and (3)** – to permit the Filer's exposure under the Forward Agreement (and any replacement or assignment of that agreement) to exceed the limitations relating to investment in illiquid assets, provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that agreement), for a period of 60 days or more, shall not exceed 30 percent of the net assets of the Filer;
- (c) **Subsection 2.6(a)** – (i) to enable the Filer to obtain a credit facility for paying redemptions and working capital purposes and provide a security interest over its assets, as stated in paragraph 10 above, so long as the outstanding amount of any such borrowings of the Filer does not exceed 5% of the net assets of the Filer at the time of borrowing and (ii) to permit the Filer to pledge the Canadian Securities Portfolio in order to secure the Filer's obligations under the Forward Agreement;
- (d) **Subsection 2.7(1)(a)** - to permit the Filer to enter into the Forward Agreement (and any replacement or assignment of that agreement) that has a remaining term to maturity of greater than 5 years on the condition that the Filer does not and will not enter into any other specified derivative transaction that does not satisfy the requirement of subsection 2.7(1)(a);
- (e) **Subsection 2.7(4)** – to exempt the Filer from the prescribed exposure limit under the Forward Agreement (and any replacement or assignment of that agreement), provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that agreement), for a period of 60 days or more, shall not exceed 30 percent of the net assets of the Filer;
- (f) **Section 3.3** – to permit the organizational costs and expenses of the offerings of the Shares to be borne by the Filer;
- (g) **Section 10.3** – to permit the Filer to calculate the redemption price for the Shares in the manner described in the Preliminary Prospectus and on the applicable Redemption Date as defined in the Preliminary Prospectus;
- (h) **Subsection 10.4(1)** - to permit the Filer to pay the redemption price for the Shares on the Redemption Payment Date, as defined in the Preliminary Prospectus;
- (i) **Subsection 12.1(1)** - to relieve the Filer from the requirement to file the prescribed compliance reports; and
- (j) **Section 14.1** - to relieve the Filer from the requirement relating to the record date for the payment of dividends or other distributions of the Filer, provided that it complies with the applicable requirements of the TSX.

“Rhonda Goldberg”
Manager – Investment Funds

2.1.5 Kaboose Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – filer experienced three years of consecutive losses, the most recent year being a very small loss, resulting in an anomalous result of the income test – filer granted relief to use an alternative income test (the average of the absolute value of the losses incurred by the filer for the last three years) rather than income from continuing operations for the purposes of determining whether the filer was required to file a business acquisition report in respect of a recent acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

June 11, 2007

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

AND

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

AND

IN THE MATTER OF
KABOOSE INC.
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision pursuant to the securities legislation of the Jurisdictions (the **Legislation**) granting relief to use an alternative income test (as defined below) for purposes of its continuous disclosure obligations under the Legislation in respect of its acquisition (the **Acquisition**) of substantially all of the assets of Amazing Moms.com Inc. (Amazing Moms) (the **Requested Relief**).

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

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

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

Interpretation

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

Representations

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

1. the Filer was formed by Articles of Incorporation under the *Business Corporations Act* (Ontario) on October 8, 1999;
2. the Filer is a reporting issuer in each province in Canada (except Quebec) and its common shares trade on the Toronto Stock Exchange;
3. The Filer is not in default of its obligations as a reporting issuer under the legislation of any jurisdiction in which it is a reporting issuer or its equivalent;
4. Amazing Moms is a corporation that was formed under the laws of the State of New York on November 30, 2006;
5. the Acquisition closed effective March 30, 2007 pursuant to which Kaboose acquired substantially all of the assets of Amazing Moms;
6. the consideration for the Acquisition was the payment of US\$750,000 in cash at closing, with a further US\$750,000 paid to Amazing Moms when certain post-closing milestones were achieved;
7. the application of the income test in Subsection 8.3(2)(c) of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) using the income from continuing operations of the Filer for the year ended December 31, 2006 leads to anomalous results in that the significance of the Acquisition is out of proportion to its significance on an objective basis and in comparison to the results of the asset and investment tests required by NI 51-102;
8. the Filer incurred a small loss in the year ended December 31, 2006, resulting in virtually any acquisition exceeding 20% under the income test;
9. the Filer has incurred 3 years of consecutive losses: a loss of \$90,000 for the year ended December 31, 2006, a loss of \$3,313,000 for the year ended December 31, 2005 and a loss of \$1,348,000 for the year ended December 31, 2004;

10. a review of the relative significance under the asset test and the investment test reveals that the Acquisition is not otherwise significant; and
11. the use of an alternative income test (the average of the absolute value of the losses incurred by the Filer for the years ended December 31, 2006, December 31, 2005 and December 31, 2004), rather than using income from continuing operations for the year ended December 31, 2006, provides a more realistic indication of the significance of the Acquisition and its results are consistent with the asset test and the investment test.

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.

“Lisa Enright”
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.6 Westpac Banking Corporation - 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 dealer 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 waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

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

June 7, 2007

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

AND

**IN THE MATTER OF
WESTPAC BANKING CORPORATION**

**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 Westpac Banking Corporation (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 as a Corporation under the laws of Australia. The head office of the Applicant is located in Sidney, Australia. 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 dealer.

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

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

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

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and
- D. is not registered in any 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 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”
Manager, Registrant Regulation

2.1.7 High Income Principal and Yield Securities Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer Bid - Exemption from Issuer Bid Requirements - Filer making an issuer bid under modified Dutch auction procedure - Filer cannot disclose that it will take up and pay for shares deposited on a pro rata basis - Filer is disclosing maximum number of shares it will acquire under the bid, and the minimum and maximum amount it will pay for shares tendered

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95(7), 104(2)(c).

May 30, 2007

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

AND

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

AND

**IN THE MATTER OF
HIGH INCOME PRINCIPAL AND YIELD SECURITIES
CORPORATION
(THE FILER)**

MRRS DECISION DOCUMENT

Background

1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the proposed purchase by the Filer of a portion of its outstanding preferred shares (Shares) pursuant to an issuer bid (the Offer), the Filer be exempt from the requirements in the Legislation:

- (a) to take up and pay for securities proportionately according to the number of securities deposited by each security holder;

- (b) to provide disclosure in the issuer bid circular dated April 18, 2007 and filed on SEDAR (the Circular) of the proportionate take-up and payment; and

- (c) except in Ontario and Quebec, obtain a valuation of the Shares and provide disclosure in the Circular of such valuation, or a summary thereof (the Valuation Requirement)

(collectively, the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (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 reporting issuer or the equivalent in each of the Jurisdictions;
 - 2. the Filer is not in default of any requirement of the Legislation and is not on the list of defaulting reporting issuers maintained pursuant to such Legislation, where applicable;
 - 3. the Filer is a mutual fund corporation incorporated under the *Business Corporations Act* (Ontario) by articles of incorporation dated December 7, 2001;
 - 4. the authorized capital of the Filer consists of:
 - (a) an unlimited number of Shares of which approximately 2,104,996 Shares were issued and outstanding as at April 17, 2007;
 - (b) an unlimited number of equity shares (the Equity Shares), of which approximately 1,631,981 equity shares were issued and outstanding as at April 17, 2007;

- (c) an unlimited number of subordinate shares, of which approximately 228,433 subordinate shares were issued and outstanding as at April 17, 2007; and
 - (d) an unlimited number of class A shares, of which approximately 1000 class A shares were issued and outstanding as at April 17, 2007;
5. the Shares and the Equity Shares are listed and posted for trading on the Toronto Stock Exchange (the TSX);
6. to the best of the Filer's knowledge, no person or company holds more than 10% of the Shares;
7. on April 17, 2007, the closing price of the Shares on the TSX was \$25.80;
8. as specified in the Circular, the Filer is conducting the Offer pursuant to a modified Dutch auction procedure, as follows:
- (a) the maximum number of Shares (less than all of the outstanding Shares) to be purchased pursuant to the Offer (the Specified Number of Shares) is 300,000 Shares;
 - (b) the range of prices within which the Filer is prepared to purchase such Shares (the Price Range) is not less than \$25.50 per Share or more than \$25.90 per Share;
 - (c) each holder of Shares (collectively, the Shareholders) wishing to tender to the Offer has the right either to:
 - (i) specify the lowest price within the Price Range at which such Shareholder is willing to sell its tendered Shares (an Auction Tender), or
 - (ii) not specify a price but elect to be deemed to have tendered the Shares purchased at the Purchase Price (determined according to subparagraph 8(e)
- below) (a Purchase Price Tender);
- (d) the aggregate amount the Filer will pay for Shares tendered to the Offer will not be determined until the Purchase Price is determined and the pro-rating is calculated in accordance with the procedures outlined in subparagraph 8(i) below;
 - (e) the price per Share (Purchase Price) for the Shares tendered to the Offer and not withdrawn will be the lowest price that will enable the Filer to purchase up to the Specified Number of Shares, subject to additional Shares being taken up due to rounding as described in subparagraph 8(f) below, and it will be determined based upon the number of Shares tendered and not withdrawn pursuant to an Auction Tender at each price within the Price Range and tendered and not withdrawn pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price within the Price Range for the purpose of calculating the Purchase Price;
 - (f) all Shares tendered at or below the Purchase Price will be taken up and paid for at the Purchase Price, calculated to the nearest whole Share so as to avoid the creation of fractional Shares, and subject to pro ration as described in subparagraph 8(i) below if the aggregate number of Shares tendered at or below the Purchase Price exceeds the Specified Number of Shares;
 - (g) all Shares tendered at prices above the Purchase Price will be returned to the appropriate Shareholders;
 - (h) all Shares tendered and not withdrawn by Shareholders who fail to specify any tender price for such tendered Shares or fail to indicate that they have tendered their Shares pursuant to a Purchase Price Tender will be considered to have been

- tendered pursuant to a Purchase Price Tender;
- (i) if the aggregate number of Shares validly tendered to the Offer and not withdrawn exceeds the Specified Number of Shares, the Filer will purchase Shares tendered at or below the Purchase Price on a *pro rata* basis;
- (j) if the Offer is under-subscribed by the initial expiration date but all the terms and conditions thereof have been complied with except those waived by the Filer, the Filer may extend the Offer for at least 10 days, but the Legislation would require the Filer to first take up and pay for all Shares deposited and not withdrawn; all Shares tendered at that time and not withdrawn will be taken up and paid for at the Purchase Price, which would also be the price applicable for the Offer during the extended bid period; and
- (k) by the time any extended bid period is over, the Offer may be over-subscribed, in which case the Filer intends to pro-rate only among the tendered Shares received during the extension and after the original expiration date;
9. prior to the expiry of the Offer, all information regarding the number of Shares tendered and the prices at which such Shares are tendered will be kept confidential by the depositary under the Offer, and the depositary will be directed by the Filer to maintain such confidentiality until the Purchase Price has been determined;
10. since the Offer is for less than all the Shares, if the number of Shares tendered to the Offer exceeds the Specified Number of Shares, the Legislation would require the Filer to:
- (a) take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each Shareholder; and
- (b) disclose in the Circular that the Filer would, if Shares tendered
- to the Offer exceeded the Specified Number of Shares, take up the Shares proportionately according to the number of Shares tendered by each Shareholder;
11. prior to the commencement of the Offer, there were 2,104,996 Shares issued and outstanding and, accordingly, the Offer is for approximately 14.25% of the total number of issued and outstanding Shares;
12. the Shares do not carry any residual right to participate in the earnings of the Filer and, upon the liquidation or winding-up of the Filer in its assets and consequently are not "equity securities" for the purposes of the Legislation; the Shares are also not, directly or indirectly, convertible into equity securities;
13. the Filer intends to rely upon the exemptions from the Valuation Requirement in section 3.4(2) of Ontario Securities Commission Rule 61-501 and Regulation Q-27 (the Non-Equity Security Exemptions); and
14. the Circular:
- (a) specifies that the aggregate number of Shares that the Filer intends to purchase under the Offer will be up to the Specified Number of Shares;
- (b) discloses the mechanics for the take-up of and payment for, or the return of, Shares as described in paragraph 8 above;
- (c) explains that, by tendering Shares at the lowest price in the Price Range or under a Purchase Price Tender, a Shareholder can reasonably expect that the Shares so tendered will be purchased at the Purchase Price, subject to pro ration as described in paragraph 8 above;
- (d) discloses the facts supporting the Filer's reliance on the Non-Equity Security Exemptions;
- (e) contains the disclosure prescribed by the Legislation for issuer bids, except to the extent exemptive relief is granted by this decision; and

- (f) describes the review and approval process adopted by the board of directors of the Filer for the Offer, including any materially contrary view or abstention by a director.

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) Shares deposited under the Offer and not withdrawn are taken up and paid for, or returned to Shareholders, in the manner described in paragraph 8; and
- (b) for the Valuation Requirement, the Filer can rely on the Non-Equity Security Exemptions.

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

2.1.8 TD Securities Inc. and TD Waterhouse Canada Inc. - s. 127 of the Regulations to the Act and s. 3.1 of Rule 31-501

Headnote

Decision pursuant to to section 3.1 of Rule 31-501 – Registrant Relationships (the Rule) and subsection 127(2)(h) of the Regulations under the Securities Act (Ontario) exempting salespersons, directors and officers of the applicants, which are affiliated companies, from certain of the dual registration restrictions out in the Rule and exempting their salespersons from the provisions of subsection 127(1) of the Regulations, to the extent that those provisions would prohibit salespersons of one applicant from also being salespersons of the other applicant.

Statutes Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss.127(1), 127(2).

Rules Cited

Ontario Securities Commission Rule 31-501 ss. 1(1), 3.1.

June 7, 2007

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

AND

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

AND

**ONTARIO SECURITIES COMMISSION RULE 31-501
REGISTRANT RELATIONSHIPS
(the Rule)**

AND

**IN THE MATTER OF
TD SECURITIES INC. AND
TD WATERHOUSE CANADA INC.**

**DECISION
(Section 127(2)(h) of the Regulation
and Section 3.1 of the Rule)**

UPON the Director (as defined in the Act) having received an application (the **Application**) from TD Securities Inc. (**TDSI**) and TD Waterhouse Canada Inc. (**TD Waterhouse** and, together with TDSI, the **TD Registrants**) for a decision (or its equivalent) pursuant to section 3.1 of the Rule, exempting the current and future salespersons (the **Salespersons**), directors and officers of TD

Waterhouse (the **Representatives**) from the dual registration restrictions of subsection 1.1(1) of the Rule (the **Dual Registration Relief**) and that a determination be made under subsection 127(2)(h) of the Regulation that the Salespersons are carrying on activities which will not in the circumstances interfere with their duties and responsibilities as salespersons and that there are no conflicts of interest arising from the individuals' duties as salespersons and their outside activities so as to permit the registration of such Salespersons with both TD Registrants despite the fact that they are not employed full-time for either of the TD Registrants as required by subsection 127(1) of the Regulation (the **Full-Time Salesperson Determination**).

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

AND UPON the TD Registrants having represented to the Director that:

1. TDSI is a corporation incorporated under the laws of the Province of Ontario.
2. TDSI is a wholly-owned subsidiary of The Toronto-Dominion Bank (**TD Bank**).
3. TDSI is registered as an investment dealer or its equivalent under the securities legislation of all provinces and territories of Canada, it is a member of the Investment Dealers Association of Canada (**IDA**) and the TSX Venture Exchange, it is an approved participant of the Montreal Exchange (**ME**) and it is a participating organization of The Toronto Stock Exchange (**TSX**).
4. TD Waterhouse is a corporation incorporated under the laws of the Province of Ontario.
5. TD Waterhouse is a wholly-owned subsidiary of TD Bank.
6. TD Waterhouse is registered as an investment dealer or its equivalent in all provinces and territories of Canada, it is a member of the IDA and it is an approved participant of the ME.
7. As members of the IDA, and affiliates of each other, each of TD Waterhouse and TDSI has cross-guaranteed the obligations of the other in accordance with Section 6.6 of the IDA By-Laws.
8. For various business and other reasons, TD Bank has historically caused, and continues to require, its securities brokerage business to be conducted through two registrants whereby its retail brokerage business is conducted through TD Waterhouse and its institutional brokerage business is conducted through TDSI.
9. TDSI has a client base that is currently limited to institutional clients, as that term is defined in IDA

Policy No. 4 *Minimum Standards for Institutional Account Opening, Operation and Supervision*.

10. TDSI has been approached by a high net worth client of TD Waterhouse (the **Prospective Client**) who wishes to establish a prime brokerage account with TDSI in order to take advantage of the prime brokerage services that TDSI currently provides to its institutional clients. The Prospective Client is an accredited investor (an **Accredited Investor**) as that term is defined in National Instrument 45-106 *Prospectus and Registration Exemptions*.
11. TDSI proposes to begin undertaking a very limited retail prime brokerage business (the **Retail Prime Brokerage Business**) that will cater to high net worth individuals (the **TDSI Clients**). The TDSI Clients are or will be Accredited Investors.
12. TDSI proposes to dually register certain Representatives with TDSI to act on behalf of the TDSI Clients and such Representatives have, or will have, extensive experience providing trade execution services to retail investors. The Representatives have, or will have, met the proficiency requirements as required by the IDA and be approved to trade with retail clients.
13. The Representatives generally receive, or will receive, client orders through registered salespersons and trading officers of TD Waterhouse, introducing brokers for whom TD Waterhouse acts as a carrying broker and third party portfolio managers. Accordingly, with the exception of a limited number of TD Waterhouse's high net worth clients, the Representatives generally do not, and will not, trade directly with individual clients and they do not, and will not, engage in any inventory or proprietary trading on behalf of TD Waterhouse.
14. The Representatives transmit, or will transmit, all orders for clients of TD Waterhouse (**TD Waterhouse Clients**) directly to the TSX trading system through TDSI in accordance with Rule 2-501 of the TSX Rules.
15. In order to accommodate the establishment of the Retail Prime Brokerage Business, TDSI has established written policies and procedures for dealing with retail clients in accordance with IDA Policy No. 2 *Minimum Standards for Retail Account Supervision*.
16. The Representatives are, or will be, under the direct supervision and control of both TD Registrants and they are, or will be, subject to all securities – related and conflicts of interest policies and procedures of both TD Registrants.

17. The dual registration of the Representatives will not be a source of any client confusion or conflicts of interest because:
- (a) when acting on behalf of TD Waterhouse, the Representatives generally do not, and will not, trade directly with clients save and except for a limited number of high net worth clients of TD Waterhouse;
 - (b) when acting on behalf of TD Waterhouse, the Representatives do not, and will not, provide advice and all trading orders received by the Representatives will be unsolicited;
 - (c) when acting on behalf of TDSI, the Representatives trading activities are, or will be, limited to dealing with high net worth individuals as part of the Retail Prime Brokerage Business;
 - (d) when acting on behalf of TDSI, the Representatives do not, and will not, provide advice and most of the trading orders received by the Representatives will be unsolicited;
 - (e) prior to conducting dealing activities on behalf of a TDSI Client, the Representatives will notify the TDSI Client of their dual registration with both TDSI and TD Waterhouse; and
 - (f) the Representatives shall act in the best interests of both their TDSI Clients and their TD Waterhouse Clients and deal fairly, honestly and in good faith.
18. Section 127(1) of the Regulation provides that (subject to subsection (2) of such section) no individual may be registered as a salesperson unless he or she is employed full-time as a salesperson. Although not explicit, it may be implicit that such subsection is intended to require such full-time employment with one registrant.
19. Section 127(2) of the Regulation permits the Director to exempt a person from the full-time requirement under subsection 127(1) of the Regulation where the other activities of the subject salesperson will not interfere with his or her duties and responsibilities as a salesperson and there is no conflict of interest arising from his or her duties as a salesperson and his or her outside activity.
20. Section 1(1) of the Rule provides that no person registered as a salesperson of a registrant may act or be registered as a director, partner or officer of the registrant or as a salesperson, officer, partner or director of another registrant.

21. Section 3.1 of the Rule provides that the Director may grant an exemption from the Rule, in whole or in part.
22. Section 1.1 of the Companion Policy to the Rule (the **Companion Policy**) provides that the Director will consider granting an exemption from section 1.1 of the Rule to salespersons, officers or directors registered in the United States and employed by a United States registered broker-dealer to trade through an Ontario registered broker or investment dealer that is affiliated with the United States broker-dealer.
23. Section 1.2 of the Companion Policy provides that the Director will not provide an exemption from the "Related Registrant" restrictions under section 2.1 of the Rule unless Director is satisfied that the applicant or registrant has adopted or proposes to adopt policies and procedures to minimize the potential for conflicts of interest.
24. The IDA By-Laws permit dual employment of registered representatives (being salespersons for purposes of the Act, the Regulation and the Rule) and trading officers of affiliated registrants, provided that any potential conflicts of interest are addressed and such affiliates have cross-guaranteed their obligations.

AND UPON the Director being satisfied, based upon the representations set forth above, that there is no potential conflict of interest in the conduct of brokerage business as between the TD Registrants;

AND UPON the Director being satisfied that registration of individuals as salespersons of both TD Registrants would not result in interference with their duties to either TD Registrant and that there is no conflict of interest which would arise from such dual registration;

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 section 3.1 of Rule 31-501 and section 127(1)(h) of the Regulation that, for a period of three years, effective the date of the Decision:

- (a) the Full-Time Salesperson Determination is granted; and
- (b) the Dual Registration Relief is granted,

provided that the trading activity that is conducted by the Representatives on behalf of TDSI is limited to trading with clients who are Accredited Investors of TDSI's Retail Prime Brokerage Business and that the TD Registrants comply with all requirements of the IDA from time to time for permitting such dual registration.

"David M. Gilkes"
Manager, Registrant Regulation
Ontario Securities Commission

2.1.9 IsoTis S.A. and IsoTis, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Continuance into another jurisdiction structured as a securities exchange take-over bid to be made by wholly-owned subsidiary of the issuer constitutes an indirect issuer bid. Exemption from the valuation requirements for an issuer bid granted - Shareholders who tender to the bid will have the same interest in the underlying assets as before the bid. Exemption from the time periods relating to an issuer bid granted - bid will be governed by the laws of the Netherlands and the laws of Switzerland. Exemption from the requirements to send a directors circular - Although there is no requirement to send a directors circular under the laws of the Netherlands and the laws of Switzerland, the issuer has represented that the bid circular will include the information required in a directors circular.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95, 99, 104(2)(c).
OSC Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions ss. 2.3, 3.3, 9.1.

December 14, 2006

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

AND

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

AND

**IN THE MATTER OF
ISOTIS S.A. (the Filer) AND ISOTIS, INC.**

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:
 1. in the Jurisdictions other than New Brunswick, the requirement to obtain a formal valuation will not apply in connection with the proposed securities

exchange take-over bid (the Bid) to be made by a IsoTis, Inc., a wholly-owned subsidiary of the Filer (IsoTis Delaware), for all of the issued and outstanding securities of the Filer (the Valuation Relief);

2. IsoTis Delaware be exempt from the prescribed time periods under the Legislation of each of the Jurisdictions in connection with making a formal bid (the Timing Relief); and
3. the Filer be exempt from the requirement to send a directors' circular to shareholders of the Filer under the Legislation of each of the Jurisdictions (the Director Circular Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) the 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 was formed under the laws of Switzerland on June 27, 1996 and is a medical company specializing in orthobiologics;
 2. the Filer's principal executive office is located at 2 Goodyear, Irvine, California, 92618, U.S.A. and its registered head office is located at 1 Rue de Sébeillon, 1004, Lausanne, Switzerland;
 3. the Filer is a reporting issuer, or the equivalent, in each of British Columbia, Alberta, Ontario and Québec and is not in default of any applicable requirements under the Legislation;
 4. the Filer's common shares (the Shares) are listed for trading on the Toronto Stock Exchange (the Exchange), the mainboard of the SWX Swiss Exchange (the SWX) and the Official Market

- Segment of the Stock Market of Euronext Amsterdam NV (Euronext);
5. in the United States, the Shares are registered under Section 12(g) of the Securities Exchange Act of 1934, and the Filer is a "Foreign Private Issuer";
 6. under NI 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Filers*, the Filer is classified as an "SEC Foreign Issuer";
 7. the Filer is authorized to issue 86.7 million Shares with a par value of CHF (Swiss Franc) 1 per share, of which approximately 70.9 million Shares are currently outstanding; approximately 16% of the Filer's outstanding Shares are beneficially held by residents in Canada;
 8. the Filer is proposing to reorganize under the laws of the State of Delaware, quote its Shares for trading on the NASDAQ Global Market (NGM), and delist its Shares from trading on the Exchange, the Euronext and, when possible, the SWX;
 9. the board of directors of the Filer believes that the Filer's current structure adversely affects trading in the Shares and acts as an impediment to its ability to efficiently raise capital for the following reasons:
 - (a) the Filer is a Swiss company and the Shares are listed on three different exchanges; the board of directors of the Filer believes that the trading price of the Shares would better reflect the value of the company and that the Filer would be able to more efficiently access capital markets in the United States by becoming a "domestic issuer" in the United States and having a single listing of its Shares on the NGM;
 - (b) the greater level of transparency that will be afforded by becoming a "domestic issuer" and the trading of the Filer's securities on the NGM would provide greater assurance to investors regarding the business and financial condition of the Filer;
 10. the board of directors of the Filer has determined that it is in the best interests of the Filer and its securityholders to
 11. cause the Filer to reorganize and re-domicile itself under the laws of the State of Delaware;
 11. the Filer has incorporated IsoTis Delaware as a wholly-owned subsidiary under the laws of the State of Delaware, with an authorized capital consisting of 100,000,000 common shares and 10,000,000 preference shares issuable in series; the directors and officers of IsoTis Delaware will be identical to the directors and officers of the Filer with the exception of one director;
 12. IsoTis Delaware will make a Bid to acquire all of the Shares in accordance with applicable Swiss, Dutch and Canadian law, which will constitute a securities exchange take-over bid under the Legislation and the Bid will comply with applicable law in Canada, except to the extent exemptions from such requirements are obtained;
 13. under the terms of the Bid and pursuant to applicable Swiss and Dutch law (i) IsoTis Delaware will offer one new share of IsoTis Delaware for each ten Shares of IsoTis and the offer will initially remain open for a minimum of 34 days (the Initial Closing Date), (ii) no later than four trading days on the SWX, Euronext and TSX (Trading Days) after the Initial Closing Date, IsoTis Delaware will make a public announcement as to whether the Bid is unconditional (the Unconditional Date), (iii) if the Bid is determined to be unconditional, no later than five (5) Trading Days after the Unconditional Date, IsoTis Delaware will take up and pay for Shares initially tendered under the Bid, (iv) shareholders that have not tendered their Shares will have ten (10) Trading Days from the Unconditional Date (the Post-Acceptance Period) to tender their Shares and (v) IsoTis Delaware will make a public announcement of the results of the Bid no later than four (4) Trading Days after the Post-Acceptance Period ends and all such additional Shares tendered will be taken up and paid for no later than five (5) Trading Days after such announcement;
 14. under the terms of the Bid, IsoTis Delaware may extend the Bid past the Initial Closing Date such that the Bid is open for a total of 40 Trading Days (or beyond such 40 Trading Day period with the consent of the Swiss take-over board);

15. under the terms of the Bid, any Shares tendered under the Bid may be withdrawn until the Initial Closing Date and during the Post-Acceptance Period;
16. shareholders will be paid cash for fractional shares resulting from the exchange of new shares of IsoTis Delaware for Shares, except that Canadian shareholders may refrain from accepting cash for fractional Shares in order to avoid possible adverse Canadian tax consequences;
17. IsoTis Delaware will prepare and mail a securities exchange take-over bid circular (the Circular) to all shareholders of the Filer in Canada and, in accordance with applicable law, will make the Circular available to shareholders outside Canada other than in respect of shareholders in Switzerland that will receive a Swiss offer document in accordance with Swiss law, offering to purchase each outstanding Share held by them.; the consideration offered by IsoTis Delaware under the Bid for each ten Shares will consist of one new share of IsoTis Delaware, as a result of which certain NGM listing requirements would also be met;
18. the Circular will include substantially all of the information prescribed by the take-over bid form, including the information prescribed by the issuer bid form, and directors' circular form under the Legislation and the information required by the form of prospectus applicable to the Filer and IsoTis Delaware, including:
- (a) audited annual and unaudited interim financial statements;
 - (b) a *pro forma* balance sheet as well as *pro forma* income statements of IsoTis Delaware after giving effect to the exchange of securities as of the date of the balance sheet of IsoTis Delaware and as of the most recent year end of the Filer that is included in the Circular, based on the information in the most recent audited financial statements of the Filer;
 - (c) a description of the basis of preparation of the *pro forma* financial statements; and
 - (d) the basic and fully-diluted (if applicable) earnings per share
19. based on the *pro forma* financial statements;
19. one of the conditions of the Bid will be that shareholders of the Filer holding in aggregate at least 67% of the outstanding Shares tender their Shares to the Bid by the Initial Closing Date (or extension thereof);
20. in addition, it is a condition of the Bid that on or prior to the Initial Closing Date, the shares of IsoTis Delaware be approved for quotation on the NGM;
21. in the event that at least 67% but less than 90% of the Shares are tendered under the Bid, IsoTis Delaware plans to maintain its listing on the SWX with respect to such untendered Shares; however, IsoTis Delaware may subsequently propose to acquire such non-tendered Shares, including by way of a public or private offer in respect thereof;
22. following the expiry of the Bid, in the event that at least 90% but less than 98% of the Shares are tendered under the Bid, IsoTis Delaware will form a wholly-owned subsidiary under the laws of Switzerland and merge this entity with the Filer; shareholders of the Filer that have not tendered their Shares under the Bid will receive shares of IsoTis Delaware in exchange for their Shares and the Filer will cease to exist; and
23. upon completion of the proposed transactions and assuming all Shares are tendered under the Bid: (i) the current shareholders of the Filer will become shareholders of IsoTis Delaware, the Filer will be a wholly-owned subsidiary of IsoTis Delaware and shareholders will hold the same relative percentage interest in IsoTis Delaware as they do in the Filer; and (ii) the Filer will subsequently apply to cease to be a reporting issuer, or will voluntarily surrender its reporting issuer status, in all Jurisdictions.

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 is that under the applicable Legislation is that:

1. in the Jurisdictions other than New Brunswick, the Valuation Relief is granted; and
2. the Timing Relief is granted in all the Jurisdictions; and
3. the Director Circular Relief is granted in all the Jurisdictions.

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

2.1.10 Twenty-Seven Capital Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – clause 1(10)(b) of Securities Act (Ontario) – Issuer is not a reporting issuer in the jurisdictions.

Applicable Legislative Provisions

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

June 6, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, AND ONTARIO**

AND

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

AND

**IN THE MATTER OF
TWENTY-SEVEN CAPITAL CORP.**

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 (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 a corporation existing under the laws of Canada.

2. The Applicant's registered and head office is located at 130 King Street West, Suite 2500, Toronto, ON M5X 1A9.
3. The authorized capital of the Applicant consists of an unlimited number of common shares (the **Twenty-Seven Shares**), of which, as at the date hereof, 200 Twenty-Seven Shares are issued and outstanding and all of which are beneficially owned by Mega Uranium Ltd. (**Mega**). There are no other securities, including debt securities, of the Applicant outstanding.
4. The Applicant is a reporting issuer under the Legislation. On March 9, 2007, the Applicant ceased to be a reporting issuer in British Columbia.
5. Effective February 12, 2007, Twenty-Seven Capital Corp., one of the predecessor entities to the Applicant (**Pre-Amalgamation Twenty-Seven**), and 6691153 Canada Ltd., a wholly-owned subsidiary of Mega, amalgamated (the **Amalgamation**) to form the Applicant, which became (and remains) a wholly-owned subsidiary of Mega, and the holders of all of the outstanding common shares of Pre-Amalgamation Twenty-Seven (**Pre-Amalgamation Shares**) received securities of Mega in exchange therefor.
6. The Amalgamation was approved by holders of the Pre-Amalgamation Shares at a special meeting of shareholders held on February 7, 2007.
7. Prior to the Amalgamation, Pre-Amalgamation Twenty-Seven was a reporting issuer under the Legislation of the Jurisdictions and the securities legislation of British Columbia for a period of in excess of twelve months. Accordingly, as the continuing entity of Pre-Amalgamation Twenty-Seven following the Amalgamation, the Applicant became a reporting issuer in all such jurisdictions.
8. Prior to the Amalgamation, the Pre-Amalgamation Shares were listed and posted for trading on the TSX Venture Exchange. In connection with the Amalgamation, the Pre-Amalgamation Shares were de-listed from the TSX Venture Exchange on February 21, 2007.
9. As at the date hereof, no securities of the Applicant are listed or traded on a marketplace (as defined in National Instrument 21-101 *Marketplace Operation*) and the Applicant has no current intention to seek public financing by way of an offering of securities.
10. The Applicant is not in default of any of its obligations as a reporting issuer under the Legislation, other than its obligation to file, on or before April 1, 2007, interim financial statements for the six-month period ended January 31, 2007,

and related management's discussion and analysis, and certification for such financial statements as required under Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*.

11. Upon the grant of the Requested Relief, the Applicant will not be a reporting issuer in any jurisdiction in Canada.

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.

"Carol S. Perry"

"Lawrence Ritchie"

2.1.11 Frontier/Alt Funds Management Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – certain mutual funds granted exemptions from National Instrument 81-102 Mutual Funds to engage in short selling of securities up to 10% of net assets, subject to certain conditions and requirements- future oriented relief granted as well- revocation of earlier decision granting similar relief for some of the funds in some of the jurisdictions.

Rules Cited

National Instrument 81-102 Mutual Funds, ss. 2.6(a) and (c), 6.1(1), 19.1.
Securities Act (Ontario), s. 144.

June 4, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, QUÉBEC,
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
FRONTIERALT FUNDS MANAGEMENT LIMITED
(the Filer)**

AND

**IN THE MATTER OF
FRONTIERALT ALL TERRAIN CANADA FUND,
FRONTIERALT ALL TERRAIN WORLD FUND,
FRONTIERALT ALL TERRAIN BOND FUND
(collectively, the Existing Funds)
AND
FRONTIERALT RESOURCE CAPITAL CLASS FUND
(the New Fund)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer, on behalf of the Existing Funds, the New Fund and each mutual fund hereinafter created and managed by the Filer or any of the affiliates of

the Filer (the Future Funds) (the Future Funds together with the Existing Funds and the New Fund, the Funds and individually, a Fund), for a decision under the securities legislation of the Jurisdictions (the Legislation) revoking the Original Decision (as defined below) and exempting the Funds from the following requirements of the Legislation, subject to certain terms and conditions:

- (a) the requirement contained in subsection 2.6(a) of National Instrument 81-102 *Mutual Funds* (NI 81-102) prohibiting a mutual fund from providing a security interest over a mutual fund's assets;
- (b) the requirement contained in subsection 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short; and
- (c) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian.

(the revocation of the Original Decision and paragraphs (a), (b) and (c) together shall be referred to as the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

- 1. Each Fund is, or will be, an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario. Each Fund is currently or will be a reporting issuer in all of the Jurisdictions.
- 2. The Filer is a corporation existing under the laws of Canada. The Filer is the trustee, manager and promoter of the Existing Funds and will be the manager and promoter of the New Fund. The Filer's registered office is in Ontario.
- 3. Each Fund will distribute securities under a simplified prospectus and an annual information form and otherwise be subject to NI 81-102.

4. Except for specific exemptions or approvals granted by the relevant Decision Makers, the investment practices of the Funds will comply in all respects with the requirements of Part 2 of NI 81-102. (2) the portfolio advisor will have prearranged to borrow for the purposes of such short sale;
5. The Filer proposes that a Fund be authorized to engage in a limited, prudent and disciplined amount of short selling. The Filer is of the view that a Fund could benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would complement a Fund's primary discipline of buying securities with the expectation that they will appreciate in market value. or, (ii) the securities sold short are bonds, debentures or other evidences of indebtedness of or guaranteed by: (a) the Government of Canada or any province or territory of Canada; or (b) the Government of the United States of America;
6. Short sales will be made consistent with a Fund's investment objectives.
7. In order to effect a short sale, a Fund will borrow securities from either its custodian or a dealer (in either case, the Borrowing Agent), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities. (e) at the time securities of a particular issuer are sold short, the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 2% of the net assets of the Fund and the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 115% (or such lesser percentage as the Filer may determine) of the price at which the securities were sold short;
8. A Fund will implement the following controls when conducting a short sale: (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction; (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security; (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and (i) the Fund will provide disclosure in its simplified prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.
- (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;
- (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;
- (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
- (d) the securities sold short will be liquid securities in that: (i) the security will be listed and posted for trading on a stock exchange; and (1) either the issuer of the security will have a market capitalization of not less than Cdn\$300 million of the security sold short or the equivalent thereof, at the time the short sale is effected; or
9. Under a MRRS decision document dated February 17, 2006 (the Original Decision), the Existing Funds were, subject to certain terms and conditions, granted substantially the same relief from the securities regulatory authorities of Ontario, British Columbia, Alberta and Québec as

is now sought by paragraphs (a), (b) and (c) of the Requested Relief.

10. Since February 2006, the Filer has filed a simplified prospectus and an annual information form in relation to the Existing Funds with the Decision Makers. Further, it is anticipated that there may be additional mutual funds managed by the Filer or any of the affiliates of the Filer that may require exemptive relief similar to that granted under the Original Decision, including the New 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 provided that:

1. the aggregate market value of all securities sold short by a Fund will not exceed 10% of the net assets of the Fund on a daily marked-to-market basis;
2. a Fund will hold "cash cover" (as defined in NI 81-102) in an amount, including Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
3. no proceeds from short sales by a Fund will be used by the Fund to purchase long positions in securities other than cash cover;
4. a Fund will maintain appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;
5. any short sales made by a Fund will be subject to compliance with the investment objectives of the Fund;
6. the Requested Relief will not apply to a Fund that is classified as a money market fund or a short-term income fund;
7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by a Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in

connection with short sale transactions by a Fund shall:

- (i) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and
 - (ii) have a net worth in excess of the equivalent of Cdn\$50 million determined from its most recent audited financial statements that have been made public;
9. except where the Borrowing Agent is a Fund's custodian, when the Fund deposits Fund assets with the Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent will not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the net assets of the Fund, taken at market value as at the time of the deposit;
10. the security interest provided by a Fund over any of its assets that is required to enable the Fund to effect short sale transactions will be made in accordance with industry practice for that type of transaction and relate only to obligations arising under such short sale transactions;
11. prior to conducting any short sales, a Fund will disclose in its simplified prospectus or an amendment thereto a description of: (i) short selling, (ii) how the Fund intends to engage in short selling, (iii) the risks associated with short selling, and (iv) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and the exemptive relief;
12. prior to conducting any short sales, a Fund will disclose in its annual information form or an amendment thereto the following information:
- (i) that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;
 - (ii) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors of the Filer or of the mutual fund corporation or trustee, as applicable, in the risk management process;
 - (iii) the trading limits or other controls on short selling and who is responsible for

- authorizing the trading and placing limits or other controls on the trading;
 - (iv) whether there are individuals or groups that monitor the risks independent of those who trade; and
 - (v) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;
13. prior to conducting any short sales, a Fund will provide to its securityholders not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus and annual information form as outlined in paragraphs 11 and 12 above, or the Fund's initial simplified prospectus and annual information form and each renewal thereof has included such disclosure; and
14. the Requested Relief will terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

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

2.1.12 Quadrus Investment Services Ltd. and Credential Asset Management Inc. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

May 29, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, SASKATCHEWAN,
MANITOBA, NOVA SCOTIA, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, NEWFOUNDLAND
AND LABRADOR, 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
QUADRUS INVESTMENT SERVICES LTD. AND
CREDENTIAL ASSET 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 11.2(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") that prohibit a participating dealer or certain service providers from commingling cash received for the purchase or redemption of mutual fund securities ("MF Cash") with cash received for the purchase or sale of other securities or instruments the participating dealer is permitted to sell ("Other Cash") (the "Commingling Prohibition").

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 decisions.

Representations

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

- 1. Each of the Filers is registered as a mutual fund dealer or its equivalent in the following jurisdictions:

Filer	Jurisdictions
Quadrus Investment Services Ltd.	Ontario, B.C., Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec, NB, PEI, NFLD, NWT, NU, Yukon
Credential Asset Management Inc.	Ontario, BC, Alberta, Saskatchewan, Manitoba, Nova Scotia, Quebec, NB, PEI, NFLD

- 2. Each Filer is a member of the Mutual Fund Dealers Association of Canada (“MFDA”).
- 3. As a member of the MFDA, each Filer is subject to the rules and requirements of the MFDA (“MFDA Rules”) on an ongoing basis, particularly those which set out requirements with respect to the handling and segregation of client cash. As a member of the MFDA, each Filer is expected to comply with all MFDA Rules.
- 4. 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 dealers registration or other registration.
- 5. The Filers are “participating dealers” as defined in NI 81-102, with respect to the sale of mutual funds.

- 6. Univeris Corporation (“Univeris”) is a technology service provider to the Canadian financial services industry specializing in, among other things, systems for cash control, compliance, web services and real-time front and back office management. One of the modules offered by Univeris is software for cash control systems (“Cash Control Software”). The Filers license the use of the Cash Control Software from Univeris.
- 7. The Cash Control Software is part of an enterprise wealth management system developed by Univeris that provides record keeping, back office processing and front office functionality for a variety of financial institutions in Canada. The use of the Cash Control Software is applicable to those institutions that administer nominee accounts, in the name of the institution. The Cash Control Software uses a series of notional sub-ledgers to keep track of entitlement of all monies flowing in and out of a nominee trust account (a “Trust Account”) established under Section 11.3 of NI 81-102. The Cash Control Software is used by each Filer to assist in the operation of a single Trust Account by each Filer, to hold both MF Cash and Other Cash on a commingled basis on behalf of investors.
- 8. The Cash Control Software provides a mechanism for tracking all cash movement in and out of a Trust Account for proper settlement of trades or disbursement to investors, as applicable. The Cash Control Software also facilitates the movement of client monies from and to separate clearing accounts for settlement of mutual fund and other products on the settlement day.
- 9. Each Filer proposes to pool Other Cash with MF Cash in a Trust Account. The commingling of Other Cash with MF Cash would facilitate significant administrative and systems economies that will enable each Filer to enhance its level of service to its client accounts at less cost. The Trust Account of each Filer is designated as a “trust account” by the financial institution at which it is held.
- 10. The Commingling Prohibition prevents each Filer from commingling the MF Cash with Other Cash.
- 11. Prior to June 23, 2006, section 3.3.2(e) of the Rules of the MFDA (the “MFDA Commingling Prohibition”) also prohibited the commingling of Other Cash with MF Cash. 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 Prohibition from the Jurisdictions. Should the Requested Relief be granted by the Jurisdictions, the Filers will provide the MFDA with notice that the Requested Relief has been granted.

- 12. In providing their services, each Filer has systems in place to be able to account for all the monies they receive into and all of the monies that are to be paid out of each of their Trust Accounts in order to meet the policy objectives of sections 11.1 and 11.2 of NI 81-102.
- 13. MF Cash or Other Cash related to a transaction initiated by one of the Filers' clients will not be used to settle a transaction initiated by any other client of the Filer. Each Filer settles through FundSERV at the end of each trading day, MF Cash payable from the Trust Account to a mutual fund with MF Cash payable by the mutual fund to the Trust Account.
- 14. The Filers will maintain proper records with respect to client cash in a commingled account, and will ensure that the Trust Account is reconciled in accordance with MFDA Rules, and that MF Cash and Other Cash are properly accounted for daily.
- 15. Except for the Commingling Prohibition, 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 MF Cash with Other Cash in the Trust Account would contravene the Commingling Prohibition.

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 MF Cash and Other Cash held in the Trust Account.

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

2.1.13 I.G. Investment Management, Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Approval of mutual fund mergers. Current simplified prospectus of the continuing funds not required to be sent to securityholders of the terminating funds provided that a tailored simplified prospectus is sent. Financial statements of the continuing funds not required to be sent to securityholders of the terminating funds provided that the information circular discloses how those financial statements may be obtained.

Applicable Legislative Provisions

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

May 17, 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,
NORTHWEST TERRITORIES, YUKON
AND NUNAVUT
(the "Jurisdictions")**

AND

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS
(“NI 81-102”)**

AND

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

AND

**IN THE MATTER OF
I.G. INVESTMENT MANAGEMENT, LTD.
(the “Manager”)**

and

**IG MACKENZIE SELECT MANAGERS CANADA FUND
IG MACKENZIE SELECT MANAGERS CANADA CLASS
IG AGF ASIAN GROWTH FUND
IG AGF ASIAN GROWTH CLASS
MACKENZIE UNIVERSAL U.S. GROWTH
LEADERS FUND: IG SERIES UNITS
MACKENZIE UNIVERSAL GLOBAL FUTURE FUND:
IG SERIES UNITS
(collectively, the “Terminating Funds”)**

AND

**IG MACKENZIE UNIVERSAL U.S. GROWTH
LEADERS CLASS
IG MACKENZIE UNIVERSAL GLOBAL FUTURE CLASS
(collectively, the “Mackenzie Class Funds”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Manager, the Terminating Funds and the Mackenzie Class Funds (collectively, the “Filers”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for approval under paragraph 5.5(1)(b) of NI 81-102 of the Mergers of the Terminating Funds into the applicable Continuing Funds (as defined below).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) The Manitoba 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. The following additional terms shall have the following meanings:

“**Continuing Funds**” means IG Mackenzie Maxxum Canadian Equity Growth Fund, IG Mackenzie Maxxum Canadian Equity Growth Class, Investors Pacific International Fund, Investors Pacific International Class, IG Mackenzie Universal U.S. Growth Leaders Class, and IG Mackenzie Universal Global Future Class;

“**Corporate Class Funds**” means IG Mackenzie Select Managers Canada Class, IG Mackenzie Maxxum Canadian Equity Growth Class, IG AGF Asian Growth Class, Investors Pacific International Class, IG Mackenzie Universal U.S. Growth Leaders Class, and IG Mackenzie Universal Global Future Class;

“**Corporate Class Fund Mergers**” means the merger of the IG Mackenzie Select Managers Canada Class into IG Mackenzie Maxxum Canadian Equity Growth Class, and the merger of IG AGF Asian Growth Class into Investors Pacific International Class;

“**Fund**” or “**Funds**” means, individually or collectively, the Terminating Funds and the Continuing Funds;

“**Mackenzie Universal Funds**” means the Mackenzie Universal U.S. Growth Leaders Fund and the Mackenzie Universal Global Future Fund;

“**Mackenzie Universal Mergers**” means the merger of the IG Series units of Mackenzie Universal U.S. Growth Leaders Fund into IG Mackenzie Universal U.S. Growth Leaders Class, and the merger of the IG Series units of Mackenzie Universal Global Future Fund into IG Mackenzie Universal Global Future Class;

“**Meeting**” or “**Meetings**” means one or more special meetings of securityholders of the Terminating Funds, as applicable, to approve the Mergers;

“**Mergers**” means the Corporate Class Fund Mergers, the Mackenzie Universal Mergers and the Unit Trust Fund Mergers (and each individually referred to separately as a “**Merger**”);

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Unit Trust Funds**” means IG Mackenzie Select Managers Canada Fund, IG Mackenzie Maxxum Canadian Equity Growth Fund, IG AGF Asian Growth Fund, Investors Pacific International Fund, Mackenzie Universal U.S. Growth Leaders Fund, and Mackenzie Universal Global Future Fund; and

“**Unit Trust Fund Mergers**” means the merger of the IG Mackenzie Select Managers Canada Fund into IG Mackenzie Maxxum Canadian Equity Growth Fund, and the merger of IG AGF Asian Growth Fund into Investors Pacific International Fund.

Representations

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

1. The Manager is a corporation established under the laws of Canada, and is a wholly owned subsidiary of IGM Financial Inc., a public company listed on the Toronto Stock Exchange. It is the manager of the Funds (but just of the IG Series units of the Mackenzie Universal Funds) and is registered as an Investment Counsel/Portfolio Manager (or the equivalent) in both Manitoba and Ontario. The head office of the Manager is in Winnipeg, Manitoba and, accordingly, Manitoba has been selected as the principal regulator for this application.
2. Each of the Unit Trust Funds is an open-end mutual fund trust established by separate Declarations of Trust or Trust Agreements under the laws of Manitoba (or the laws of Ontario in the case of the Mackenzie Universal Funds). Investors Group Trust Co. Ltd. (head office in Winnipeg) was the trustee (the “Trustee”) of the Unit Trust Funds until April 20, 2007 when the Manager, an affiliate of Investors Group Trust Co. Ltd., took over as trustee of the Unit Trust Funds.
3. The Corporate Class Funds are open-end mutual funds that are separate classes of shares issued by Investors Group Corporate Class Inc. (“IGCC”),

a corporation governed by the *Canada Business Corporations Act*. The head office of IGCC is in Winnipeg, Manitoba.

4. Each of the Funds is a reporting issuer under the Legislation in each Jurisdiction and is not on the list of defaulting reporting issuers maintained under the Legislation in each Jurisdiction. The securities of each of the Unit Trust Funds are qualified for distribution in each of the Jurisdictions pursuant to a combined simplified prospectus and AIF (collectively referred to as the "Masterseries Prospectus") dated June 30, 2006 (except for the IG Mackenzie Maxxum Canadian Equity Growth Fund which is sold under a separate simplified prospectus and AIF dated July 12, 2006). The securities of each of the Corporate Class Funds are qualified for distribution in of the Jurisdictions pursuant to a combined simplified prospectus and AIF (collectively referred to as the "Corporate Class Prospectus") dated June 30, 2006 (except for the IG Mackenzie Maxxum Canadian Equity Growth Class which is sold under a separate simplified prospectus and AIF dated July 17, 2006).
5. Each Corporate Class Fund issues 2 series of mutual fund shares to retail purchasers. Each Unit Trust Fund issues 3 series of units to retail purchasers, except the Mackenzie Universal Funds. The Mackenzie Universal U.S. Growth Leaders Fund offers 11 Series of Units, of which the Manager manages and distributes exclusively 4 series comprising the IG Series Units, and Mackenzie Financial Corporation ("Mackenzie Financial") manages 7 series. The Mackenzie Universal Global Future Fund offers 10 Series of Units, of which the Manager manages and distributes exclusively 3 series comprising the IG Series Units, and Mackenzie Financial manages 7 series. The series managed by Mackenzie Financial (for both of these Funds referred to collectively as the "Mackenzie Series") are distributed through various other distribution networks. The Mackenzie Series are not a part of the Mackenzie Universal Mergers involving the Mackenzie Universal Funds.
6. The Manager proposes that each Terminating Fund be merged into the applicable Continuing Fund, as described in the Mergers defined above.
7. Meetings of the securityholders of the Terminating Funds are being convened on or about June 15, 2007, to approve the Mergers of each Terminating Fund. A notice of meeting, a management information circular, and a proxy in connection with meetings of securityholders of the Terminating Funds (collectively, the "Meeting Materials"), as well as a tailored document consisting of the Part A and the Part B of the simplified prospectus for the relevant Continuing Fund as set out in the current simplified prospectuses of the Continuing Funds have been mailed to securityholders of the Terminating Funds, commencing on or after May 8, 2007, and will be filed via SEDAR.
8. The tax implications of the Mergers, as well as the differences between the Terminating Funds and the Continuing Funds, will be described in the Meeting Materials so securityholders of the Terminating Funds will be fully informed when considering whether to approve the Mergers of their Funds at the Meetings. Accordingly, implicit in the approval by securityholders of the Mergers is the acceptance by each Terminating Fund of the proposed tax treatment and the adoption by each Terminating Fund of the investment objective and fee structure of the applicable Continuing Fund.
9. Amendments to the simplified prospectuses and annual information forms of the Terminating Funds, and a material change report will be filed on SEDAR with respect to the Mergers as required by the Legislation of the Jurisdictions on or after April 24, 2007.
10. The Terminating Funds will merge into the applicable Continuing Funds on or about the close of business on July 20, 2007, and the Continuing Funds will continue as publicly offered open-end mutual funds.
11. The Terminating Funds will be wound up as soon as reasonably possible following the Mergers, except for the Mackenzie Universal Funds which will continue as publicly offered open-end mutual funds after the Mergers for the Mackenzie Series and other future series of units managed by Mackenzie Financial, although the IG Series Units of the Mackenzie Universal Funds will be wound-up as soon as reasonably possible after the Mergers.
12. No sales charges will be payable in connection with the acquisition by the Continuing Funds of the investment portfolios of the Terminating Funds.
13. Securityholders of the Terminating Funds will continue to have the right to redeem securities of the Terminating Funds for cash at any time up to the close of business on the effective date of the Mergers.
14. Other than circumstances in which the securities regulatory authority of a Jurisdiction has expressly exempted a Fund there from, each of the Funds follows the standard investment restrictions and practices established under the Legislation of the Jurisdictions.
15. The net asset value of each series of the Funds is calculated on a daily basis on each day that the Manager is open for business.

16. Each of the Continuing Funds and the applicable Terminating Funds, other than the mergers involving the IG Maxxum Select Managers Canada Fund and IG Maxxum Select Managers Canada Class, has substantially similar fundamental investment objectives and strategies.
17. The Portfolio securities and other assets of each Terminating Fund to be acquired by the applicable Continuing Fund arising from the Mergers are currently (or will be) acceptable prior to the effective date of the Mergers to the Portfolio Advisors of the applicable Continuing Fund, and are (or will be) consistent with the investment objectives of the applicable Continuing Fund, except:
- (i) for the Mergers involving the IG Maxxum Select Managers Canada Fund and IG Maxxum Select Managers Canada Class, where it is anticipated that up to 20-30% of the assets of the Terminating Funds may have to be rationalized prior to or after the Mergers; and
 - (ii) for the Mergers involving the IG AGF Asian Growth Fund and IG AGF Asian Growth Class, where it is anticipated that up to 5-10% of the assets of the Terminating Funds may have to be rationalized prior to or after the Mergers.
18. The Manager will pay for all direct costs associated with the Mergers, including legal, proxy solicitation, printing, mailing, brokerage transaction fees associated with the merger related trades referred to in paragraph 17, and regulatory fees.
19. The fee structure of each Terminating Fund is (or will be) substantially similar to the fee structure of the applicable Continuing Fund, except for the Mergers involving the Mackenzie Class Funds which do not have Series 'C' units. The IG Series 'C' securityholders of each Mackenzie Universal Fund will vote separately to approve the Mergers of their Funds into the applicable Continuing Fund.
20. Approval of the Mergers is required because each Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:
- (a) contrary to section 5.6(1)(a)(ii) of NI 81-102, in the Mackenzie Universal Mergers a reasonable person may not consider the Continuing Funds as having substantially similar fee structures, and the Mergers involving the IG Maxxum Select Managers Canada Fund and IG Maxxum Select Managers Canada Class, respectively, a reasonable person may not consider the Continuing Funds as having substantially similar fundamental investment objectives, as the Terminating Funds;
 - (b) contrary to section 5.6(1)(b) of NI 81-102, the merger of IG AGF Growth Fund into Investors Pacific International Fund will not be a 'qualifying exchange' within the meaning of section 132.2 of the Tax Act or a tax-deferred transaction under subsection 85(1), 85.1(1), 86(1) or 87(1) of the Tax Act;
 - (c) contrary to section 5.6(1)(c) of NI 81-102, the Mackenzie Universal Funds will not be wound-up after the Mackenzie Universal Mergers because only the IG Series units of these Terminating Funds are merging into the relevant Continuing Funds;
 - (d) contrary to section 5.6(1)(d)(ii) of NI 81-102, not all of the portfolio assets of the Terminating Funds are acceptable to the Portfolio Advisor of all of the Continuing Funds;
 - (e) contrary to section 5.6(1)(e)(i) of NI 81-102, not all of the securityholders of the Mackenzie Universal Funds are being asked to approve the Mackenzie Universal Mergers as the Mackenzie Series of the Terminating Funds will continue after the mergers and are not involved in the mergers as the mergers involve only the IG Series units of those Terminating Funds;
 - (f) contrary to section 5.6(1)(f)(ii) of NI 81-102, the current simplified prospectuses and most recent financial statements for the Continuing Funds will not be sent to the securityholders of the Terminating Funds but, instead, the Manager will send to each securityholder of a Terminating Fund the following:
 - (i) a tailored document, consisting of the Part A and the Part B for the relevant Continuing Fund, as set out in the current simplified prospectus of the Continuing Fund filed on SEDAR; and
 - (ii) a management information circular fully describing the relevant Merger, which prominently discloses that the most recent audited financial statements of the Continuing Funds can be obtained by accessing the SEDAR website

at www.sedar.com, by accessing the Investors Group website at www.investorgroup.com, by calling Investors Group at a toll-free telephone number, or by submitting a request to Investor Group as described in the meeting notice and management information circular with respect to the Mergers.

21. The securityholders of the Continuing Funds involved in the Mackenzie Universal Mergers will not be asked to approve these Mergers although they entail the merger of a larger Fund into a smaller Fund because there is no material change to the Continuing Funds. There is no material change since the fundamental investment objectives are substantially similar, all of the portfolio assets are acceptable to the Continuing Fund's portfolio advisor, and there are no adverse effects on the Continuing Funds;

22. The Manager believes that the Mergers will benefit securityholders of each Terminating Fund and Continuing Fund as follows:

- (a) securityholders of the applicable Terminating Fund and the Continuing Fund may enjoy increased economies of scale, and may experience lower fund operating expenses, as part of a larger combined Continuing Fund, thereby providing the opportunity for lower MERs and the potential for enhanced and more stable performance in the future;
- (b) each Continuing Fund will have a portfolio of greater size, allowing for increased portfolio diversification opportunities, and the potential for portfolio diversification is expected to improve (in some cases) because some Continuing Funds have a more flexible investment mandate than the applicable Terminating Funds;
- (c) securityholders of some Terminating Funds, and for at least one Continuing Fund, will benefit from lower management and other fees;
- (d) to the extent that securities in the portfolios of the Terminating Funds are transferred to the Continuing Funds, there will be a savings in brokerage charges as compared to the costs associated with having any Terminating Fund wound-up and, through the Mergers, the Manager will bear the brokerage transaction costs arising from a Merger (if any);

(e) the Mergers will eliminate the administrative and regulatory costs of operating each Terminating Fund as a separate mutual fund, and additionally, the bifurcation of the IG Series Units from the Mackenzie Universal Funds will eliminate any public and securityholder confusion and costs associated with the preparation, filing and distribution of two separate sets of Management Reports of Fund Performance and financial statements (for the IG Series units and Mackenzie Series units, respectively). These Mergers will also eliminate the duplication of time, effort and costs associated with the audit, board review, and other compliance requirements arising from the Mackenzie Universal Funds having a different fiscal year-end than the other mutual funds under common management of the Manager, thereby further simplifying the ongoing administration of the assets of the IG Series Units of the Mackenzie Universal Funds; and

(f) each Continuing Fund, as a result of its greater size, will benefit from its larger profile in the marketplace.

Decision

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

The decision of the Decision Makers under the Legislation is that the Mergers are approved, provided that:

- (a) the information circular sent to securityholders in connection with a Merger provides sufficient information about the Merger to permit securityholders to make an informed decision about the Merger;
- (b) the information circular sent to securityholders in connection with a Merger prominently discloses that securityholders can obtain the most recent interim and annual financial statements of the applicable Continuing Fund by accessing the SEDAR website at www.sedar.com, by accessing the Investors Group website, by calling Investors Group's toll-free telephone number, or by faxing a request to Investors Group;
- (c) upon request by a securityholder for financial statements, the Manager will make best efforts to provide the securityholder with financial statements

- of the applicable Continuing Fund in a timely manner so that the securityholder can make an informed decision regarding a Merger;
- (d) each applicable Terminating Fund and the applicable Continuing Fund with respect to a Merger have an unqualified audit report in respect of their last completed financial period; and
- (e) the material sent to securityholders in respect of a Merger includes a tailored simplified prospectus consisting of:
- (i) the current Part A of the simplified prospectus of the applicable Continuing Fund, and
 - (ii) the current Part B of the simplified prospectus of the applicable Continuing Fund.

“R. B. Bouchard”
Director, Corporate Finance
The Manitoba Securities Commission

2.2 Orders

2.2.1 African Development Bank

Headnote

Multilateral development bank granted exemption from registration and prospectus requirements in Ontario, subject to conditions - relief similar to exemption for "permitted supranational agency" in section 2.34 of National Instrument 45-106 Prospectus and Registration Exemptions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.

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

AND

**IN THE MATTER OF
THE AFRICAN DEVELOPMENT BANK (the Applicant)**

ORDER

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Applicant for an order pursuant to subsection 74(1) of the *Securities Act* (Ontario) (the **Act**) that the requirement in section 25 of the Act to be registered to trade in a security and the requirement in section 53 of the Act to file and obtain a receipt for a preliminary prospectus and a final prospectus in respect of a trade in a security shall not apply in respect of a trade in a debt security (as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**)) of, or guaranteed by, the Applicant (the **Requested Relief**).

Interpretation

Defined terms contained in NI 45-106 have the same meaning in this order unless they are defined in this order.

Representations

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

1. The Applicant is a multilateral development bank whose shareholders comprise 53 African countries (regional member countries or RMCs) and 24 non-African countries from the Americas, Asia, and Europe (non-regional member countries, or non-RMCs).
2. The Applicant was established in 1963 pursuant to the Agreement Establishing the African Development Bank (the **Agreement**), which was signed in Khartoum, Sudan on August 4, 1963.

Canada became a member of the Bank on December 30, 1982.

3. The Applicant's primary objective is to promote sustainable economic growth in order to reduce poverty in Africa. It achieves this objective by financing a broad range of development projects and programs through:

- (a) public sector loans (including policy-based loans), private sector loans, and equity investments;
- (b) technical assistance for institutional support projects and programs;
- (c) public and private capital investment;
- (d) assistance in coordinating RMC development policies and plans; and
- (e) grants of up to US\$500,000 in emergency support.

4. Based on the Applicant's Financial Statements and Report of Independent Auditors for the years ended December 31, 2006 and 2005, as at December 31, 2006, the Applicant had total assets of 12,332,000, total liabilities of 7,879,199, total equity of 4,452,801, and callable capital of 19,436,756 (all measured in thousands of Units of Account). Callable capital is the portion of subscribed capital that is subject to call only as and when required by the Applicant to meet its obligations on borrowing of funds for inclusion in its ordinary capital resources or guarantees chargeable to such resources. In the event of a call, member countries must make payments in gold, convertible currency or in the currency required to discharge the obligation of the Applicant for which the call was made. Calls on the callable capital would be pro rata among the members but obligations of members to make payment upon such calls are independent of each other.

5. The Applicant's long-term debt has been assigned a rating of AAA by each of the following:

- (a) Japan Credit Rating Agency, Ltd. (September 2006);
- (b) Fitch Ratings (October 2006);
- (c) Moody's Investors Services (August 2006); and
- (d) Standard & Poors (October 2006).

6. The Applicant does not have any offices in Canada.

7. Pursuant to regulatory orders issued by the securities regulator or securities regulatory authority in each of Alberta, British Columbia, Québec, Nova Scotia, Manitoba and Saskatchewan (the Jurisdictions) it has been ordered that the dealer registration requirement and the prospectus requirement in each of the Jurisdictions shall not apply in respect of a trade in a debt security of or guaranteed by the Applicant.

Order

The Commission is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief.

The ruling of the Commission pursuant to subsection 74(1) of the Act is that the Requested Relief is granted, provided that the debt securities are payable in the currency of Canada or the United States of America.

DATED June 5th, 2007.

"Harold P. Hands"

"Kevin J. Kelly"

2.2.2 Arrow Hedge Partners Inc. - s. 80 of the CFA

Headnote

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

Statutes Cited

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

June 8, 2007

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

AND

**IN THE MATTER OF
ARROW HEDGE PARTNERS INC.**

**ORDER
(Section 80 of the CFA)**

UPON the application (the **Application**) of Arrow Hedge Partners Inc. (**Arrow**) to the Ontario Securities Commission (the **Commission**) for an order:

- (a) pursuant to section 80 of the CFA, that GPS Partners LLC (**GPS**) and its officers, partners, directors and representatives be exempt from the registration requirements of paragraph 22(1)(b) of the CFA respecting investment advisory services provided to Arrow with respect to commodity futures activities of the Arrow US Equity Income Fund (the **Income Fund**), subject to certain terms and conditions; and
- (b) pursuant to section 80 of the CFA, renewing the exemption orders granted by the Commission on March 28, 2003, and June 10, 2003 (the **Previous Orders**) that Ward Ferry Management (BVI) Limited (**Ward Ferry**) and Clocktower Capital LLC (**Clocktower**), respectively, and their respective officers, partners, directors and representatives, be exempt from the registration requirements of paragraph 22(1)(b) of the

CFA, with respect to commodity futures activities of the Arrow WF Asia Fund (the **Asia Fund**) and the Arrow Clocktower Global Fund (the **Clocktower Fund**), subject to certain terms and conditions;

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

AND UPON Arrow having represented to the Commission that:

1. Arrow is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario.
2. Arrow is registered under the *Securities Act* (Ontario) (the **OSA**) as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer. Arrow is registered under the CFA as an adviser in the category of commodity trading manager.
3. Arrow is the manager and trustee of the Income Fund, the Asia Fund and the Clocktower Fund (collectively, the **Funds**). The Funds are unincorporated open-ended mutual funds created under the laws of Ontario and offered in all Canadian provinces and territories in accordance with private placement exemptions.
4. Arrow is responsible for providing investment advice to the Funds.
5. Arrow retains the services of GPS in connection with the management of the investment portfolio of the Income Fund, Ward Ferry in connection with the management of the investment portfolio of the Asia Fund and Clocktower in connection with the management of the investment portfolio of the Clocktower Fund. In retaining GPS, Ward Ferry and Clocktower (collectively, the **Sub-Advisers**), Arrow complies with the requirements of Section 7.3 of OSC Rule 35-502 *Non Resident Advisers* (**Rule 35-502**).
6. QGPS is a corporation incorporated under the Laws of Delaware, U.S. It is registered with the United States Securities and Exchange Commission as an investment adviser.
7. Ward Ferry is a corporation incorporated in the British Virgin Islands. It is registered as an investment adviser with the Hong Kong Securities Commission.
8. Clocktower is a limited liability company located in California.
9. Arrow is proposing to engage the Sub-Advisers to advise Arrow in respect of investments in

commodity futures by the Funds (the **Proposed Advisory Services**).

10. Arrow has entered into a written agreement with Sub-Advisers outlining the duties and obligations of the Sub-Advisers.

11. Arrow will contractually agree with the Funds to be responsible for any loss that arises out of the failures of the respective Sub-Advisers in connection with the Proposed Advisory Services:

(a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Arrow and the applicable Fund; or

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

(collectively, the **Assumed Obligations**).

12. Arrow will not be relieved by the Funds from its responsibility for any loss described in paragraph 11.

13. The offering memorandum for the Funds, if any, will disclose that Arrow retains responsibility for any advice given by the Sub-Advisers and that there may be difficulty in enforcing any legal rights against the Sub-Advisers because the Sub-Advisers are resident outside of Canada and that all or a substantial portion of their assets are situated outside of Canada.

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

IT IS ORDERED pursuant to section 80 of the CFA that the Sub-Advisers and their officers, partners, directors and representatives are exempt from the registration requirements of paragraph 22(1)(b) of the CFA with respect to the Proposed Advisory Services, provided that:

(a) the obligations and duties of the Sub-Advisers are set out in a written agreement with Arrow;

(b) Arrow contractually agrees with the Funds to be responsible for any loss that arises out of the failure of the respective Sub-Advisers to meet the Assumed Obligations;

(c) Arrow cannot be relieved by the Funds from its responsibility of loss under paragraph (b);

(d) the offering documents for the Funds, if any, disclose that Arrow has responsibility for any investment advice given by the Sub-Advisers and that, to the extent applicable, there may be difficulty in enforcing any legal rights against the Sub-Advisers because the Sub-Advisers are resident outside of Canada and all or a substantial portion of their assets are situated outside of Canada;

(e) Arrow maintains its status as a registered adviser in the category of commodity trading manager under the CFA; and

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

"Harold P. Hands"
Commissioner
Ontario Securities Commission

"Lawrence E. Ritchie"
Commissioner
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Michael Bond and Sesto DeLuca

**IN THE MATTER OF
THE UNIVERSAL MARKET INTEGRITY RULES**

AND

**IN THE MATTER OF
MICHAEL BOND AND SESTO DELUCA**

Hearing Panel: The Hon. John B. Webber, Q.C.
Ms. Brigitte J. Geisler
Mr. Guenther W. K. Kleberg

Hearing Date: May 22, 2007

Counsel for Market Regulation Services Inc.: Chilwin C. Cheng
Charles Corlett

Counsel for Sesto DeLuca: Ellen J. Bessner
James Camp

Michael Bond not attending.

**DECISION OF THE HEARING PANEL
RESPECTING PENALTY**

On March 7, 2007, this hearing panel found Michael Bond ("Bond") and Sesto DeLuca ("DeLuca") had contravened the requirements of UMIR Rules and Policies as alleged in the Notice of Hearing dated December 20, 2006. On May 22, 2007, we heard evidence and submissions respecting penalty.

Position of the Parties

Counsel for Market Regulations Services Inc. ("RS") suggested that the appropriate penalty should be as follows:

1. Bond

- i) a fine of \$100,000.00;
- ii) suspension of access to all marketplaces regulated by RS for a period of two (2) years; and
- iii) costs of \$71,000.00

2. DeLuca

- i) a fine of \$50,000;
- ii) a prohibition against acting in a trading supervision capacity for any Participant for a period of one (1) year, commencing on the date such order is made by the Hearing Panel; and
- iii) costs of \$71,000.00.

Counsel for DeLuca suggested that the appropriate penalty in this case would be a lesser monetary penalty, possibly a reprimand, no suspension of supervisory function and that there be no order as to costs or a minimal order as to costs.

Bond did not appear. We find that he was properly notified of this hearing. The proof of notice of the date of the hearing has been filed as Exhibit 1 in the penalty hearing. We received no submissions from Bond as to the penalty sought by RS.

It was Bond's trading activity that was the cause of the investigation and subsequent regulatory action brought by RS against himself and DeLuca. If Bond had not, on numerous occasions, entered day orders at or near the end of the daily trading sessions in an attempt to create an artificial bid price, this hearing would never have occurred .

We find that Bond's conduct in establishing an artificial bid price is very serious and impacts the integrity of the market place. The panel agrees with the monetary penalty proposed by counsel for RS at \$100,000. In addition, Bond will be suspended from access to all market places regulated by RS for a period of two (2) years from June 1, 2007. He will be required to contribute a portion of the expenses/costs, most of which were incurred to present evidence as to his contraventions. We assess those expenses/costs at \$25,000.00.

This award regarding costs is substantially different than that requested by RS. We take note of the IDA disciplinary decision dated November 14, 2006 involving *Credifinance Securities Limited* [IDA File No 0084/January/06]. At page 6 of that judgement that panel noted:

In recent years, there has been a trend to the awarding of quite substantial costs in these cases. We think that care should be exercised so that the fear of attracting an award of very large costs does not have the effect of inhibiting a Member, or an approved person, from advancing a defence which it thinks is meritorious. It is also worth keeping in mind, when thinking about costs, that a successful respondent cannot get its costs from the IDA. Since the power to award costs is one-sided, we think that a conservative approach to costs is not unwarranted.

With reference to DeLuca, we have directed ourselves to the *General Principles for Sanction Guidelines for RS Disciplinary Proceedings - August 2002*, which includes the following principles:

- a. ensure compliance with applicable securities legislation and requirements;
- b. prevent fraudulent and manipulative acts and practices and deter misconduct;
- c. promote just and equitable principles of trade for participants and open and fair business practices by access persons; and
- d. improve overall business standards in the securities industry.

The *RS General Principles* outline the general, aggravating and mitigating factors that a Panel may wish to consider in imposing appropriate sanctions and we have been guided by that outline in our decision, including any factors that may be considered as causing harm to the market place.

We do not accept that the fine requested or the prohibition against acting in a trading supervision capacity by DeLuca is proper or appropriate for these reasons:

1. DeLuca is not guilty of any dishonest actions.
2. He cooperated with RS in all respects.
3. He has no previous discipline issues or complaints about contraventions.
4. He made an effort to supervise the activities of his staff.

There was substantial evidence presented at the hearing with regard to the lack of a technological tool to detect artificial bids. We were advised that steps have been taken by W.D. Latimer to correct the inability to trace the closing bids of unfilled orders in daily reviews. RS conducted a trade desk review of W.D. Latimer shortly before the events that led to these proceedings. No deficiencies were noted in this area of review although other items were brought to the firm's attention. From time to time, the regulator will note a deficiency and give the firm an opportunity to remedy the deficiency, failing which, a disciplinary proceeding is commenced. There was a noticeable lack of direction here, even though it was acknowledged that monitoring of closing bids was not a simple task. We pause to observe that if this issue had been drawn to the attention of DeLuca by RS, steps could have been taken to solve the problem without the necessity of this hearing.

DeLuca was candid in testifying that he could not check unfilled orders and perform daily reviews because he had no technological tool. He was aware that this was a requirement and an issue not only for his firm, but also for the industry. Even though he was in fact wrong to excuse his failure to supervise for that reason, his candor is a mitigating factor. There was no

other evidence presented that would have shown DeLuca's abilities or performance of his compliance supervisory role to be lacking.

There were no red flags available to alert DeLuca to the problem that was identified. RS did not provide guidelines as to the necessity to include unfilled orders in the daily reviews. If RS had provided a clear reaction to the conduct of this aspect of his supervision, we believe that DeLuca would not be before us.

In determining a penalty, the Panel must have regard for specific deterrence. This would not appear to be necessary for DeLuca who acknowledged that this was an activity that should have been monitored. Specific deterrence is necessary in the case of Bond which is reflected by the substantial fine imposed in these reasons. With respect to DeLuca, there was no evidence that DeLuca intentionally ignored or was willfully blind to Bond's conduct. Had he been aware of the improper trading, we are assured that he would have taken steps to prohibit it.

With respect to general deterrence, the Panel considered that factor regarding Bond and it is reflected in the penalty imposed upon him. Under all of the circumstances, we do not believe it an appropriate consideration for DeLuca.

The Panel notes that there was no evidence presented of any impact on the market or complaints of loss caused by the actions of Bond which DeLuca should have supervised.

We recognize that the lack of these factors does not excuse the failure to supervise. We do observe, however, that it is undoubtedly clear that DeLuca has many serious supervisory functions for which he is responsible and respectfully suggest that the firm review its needs and obligations in these areas and provide additional resources, if necessary.

For all of the foregoing reasons, we find that the penalty suggested by counsel for RS to be punitive when the facts as we have found them are fully considered. Accordingly, the appropriate penalty is that of a reprimand.

COSTS

With respect to the issue of costs to be paid by DeLuca, the Panel adopts the comments from the Credifinance Securities Limited decision as quoted above, which are particularly appropriate. Since the Panel has determined that an appropriate sanction is a reprimand, to impose a costs award would be paramount to imposing a fine. We find, for the same reasons which we have expressed above as to the issue of a fine and a suspension, that costs should not be awarded against DeLuca.

DISPOSITION

This Hearing Panel orders that:

1. Michael Bond shall pay a fine of \$100,000.00;
2. Michael Bond shall be suspended from access to all market places regulated by the Market Regulation Services Inc. for a period of two years; and
3. Michael Bond shall pay costs of \$25,000.00.

The Hearing Panel further orders that Sesto DeLuca is hereby reprimanded.

Dated at Toronto, this 29th day of May, 2007.

The Hon. John B. Webber, Q.C.

Ms. Brigitte J. Geisler

Mr. Guenther W. K. Kleberg

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Wedge Energy International Inc.	31 May 07	12 Jun 07	12 Jun 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
Luxell Technologies Inc. **	27 Apr 07	10 May 07		11 May 07	
Western Forest Products	24 May 07	06 Jun 07		07 Jun 07	

** Correction – Luxell Technologies Inc. – extending order date moved to lapse date.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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		
Fort Chimo Minerals Inc.	05 Jun 07	18 Jun 07			
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		
Luxell Technologies Inc. **	27 Apr 07	10 May 07		11 May 07	
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07		
Simplex Solutions Inc.	07 May 07	18 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	18 May 07		

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
Western Forest Products Inc.	24 May 07	06 Jun 07		07 Jun 07	

**** Correction – Luxell Technologies Inc. – extending order date moved to lapse date.**

Chapter 5

Rules and Policies

5.1.1 NI 33-109 Registration Information

Unofficial Consolidation – February 23, 2007

This document is an unofficial consolidation of all amendments to Multilateral Instrument 33-109 current to February 23, 2007. This document is for reference purposes only and is not an official statement of the law.

NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION

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**NATIONAL INSTRUMENT 33-109
REGISTRATION INFORMATION**

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument

"Form 3" means the required form for an application for registration as dealer, adviser, or underwriter in the local jurisdiction;

"Form 4" means the form that was required for an application for registration for an individual in the local jurisdiction before February 21, 2003, or in Québec, after January 1, 2005;

"permitted individual" means, for a registered firm or for a person or company that is applying for registration, an individual who is not registered to trade or advise on behalf of the firm and who

- (a) is a director, partner, officer, or branch manager of the firm, or
- (b) in Alberta, British Columbia, and Ontario
 - (i) is a director, partner, officer, or branch manager of the firm, or
 - (ii) beneficially owns, directly or indirectly, or exercises control or direction over, 10 percent or more of the voting securities of the firm;

"NI 31-102" means National Instrument 31-102 National Registration Database;

"NRD submission number" means the unique number generated by NRD to identify each NRD submission; "registered firm" means a person or company that is registered as a dealer, adviser, or underwriter;

"registered individual" means, for a registered firm, an individual who,

- (a) is registered to trade or advise on behalf of the registered firm, or
- (b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm;

"sponsoring firm" means,

- (a) for a registered individual,
 - (i) the registered firm on whose behalf the individual trades or advises, or
 - (ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,
- (b) for an individual applying for registration,
 - (i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or
 - (ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,
- (c) for a permitted individual of a registered firm, the registered firm on whose behalf the individual acts, or
- (d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

1.2 Interpretation - Terms defined in NI 31-102 and used in this Instrument have the respective meanings ascribed to those terms in NI 31-102.

PART 2 APPLICATION FOR REGISTRATION

2.1 Dealer, Adviser and Underwriter Registration - Except as provided in subsection 2.3(1), an applicant for registration as a dealer, adviser, or underwriter must submit to the regulator,

- (a) in paper format, a completed Form 3;
- (b) in accordance with NI 31-102, a completed Form 33-109F3 for each business location of the applicant, other than the applicant's head office; and
- (c) in accordance with NI 31-102, a completed Form 33-109F4 for each permitted individual of the applicant who has not applied to become a registered individual with the applicant under subsection 2.2(1).

2.2 Individual Applicants

- (1) Except as provided in subsection (2) and subsection 2.3(2), an individual who applies for registration under securities legislation must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F4.
- (2) Despite subsection (1), a permitted individual of a registered firm who applies to become a registered individual with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

2.3 Commodity Futures Act Registrants

- (1) In Manitoba and Ontario, if an applicant for registration under section 2.1 is registered under the *Commodity Futures Act*, the applicant
 - (a) is not required to submit a completed Form 33-109F3 under subsection 2.1(b) for any business location of the applicant that is recorded on NRD; and
 - (b) is not required to submit a completed Form 33-109F4 under subsection 2.1(c) for a permitted individual if the applicant submits to the regulator, in accordance with NI 31-102, a completed Form 33-109F2 for the individual.
- (2) In Manitoba and Ontario, despite subsection 2.2(1), if an individual applies for registration under securities legislation and is recorded on NRD with his or her sponsoring firm as registered under the *Commodity Futures Act*, the individual must make the application by submitting to the regulator, in accordance with NI 31-102, a completed Form 33-109F2.

PART 3 CHANGES TO REGISTERED FIRM INFORMATION

3.1 Changes to Form 3 Information

- (1) A registered firm must notify the regulator of a change to any information previously submitted in Form 3, or under this subsection, within 5 business days of the change.
- (2) Except as provided in subsection (3), for the purposes of subsection (1), a notice of change must be made by submitting a completed Form 33-109F5 in paper format.
- (3) Despite subsection (2), a notice of change under this section is not required to be in Form 33-109F5 if the change relates to
 - (a) the addition of an officer, partner, or director to the registered firm, and if a completed Form 33-109F4 in respect of the officer, partner, or director is submitted under section 2.2 or 3.3;
 - (b) the resignation or termination of an officer, partner or director of the registered firm, and if a completed Form 33-109F1 is submitted under section 4.3 or 5.2; or
 - (c) a business location other than head office, and if a completed Form 33-109F3 is submitted under section 3.2.

3.2 Changes to Business Locations

- (1) A registered firm must notify the regulator of the opening of a business location, other than a new head office, by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the opening.
- (2) A registered firm must notify the regulator of a change to any information previously submitted in Form 33-109F3 by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the change.

3.3 Addition of Permitted individuals - A registered firm must submit to the regulator in accordance with NI 31-102 a completed Form 33-109F4 for a permitted individual within 20 business days of the individual becoming a permitted individual of the registered firm.

3.4 Changes to other registration information - A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

PART 4 CHANGES TO REGISTERED INDIVIDUAL INFORMATION

4.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.
- (2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.
- (3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, within 20 business days of the change.

4.2 Application to Change or Surrender Individual Registration Categories - A registered individual of a registered firm who applies to change or surrender his or her registration category with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

4.3 Termination of Relationship - A registered firm must, within 5 business days of a termination of an employment, partner, or agency relationship with a registered individual, notify the regulator of the termination of the relationship by submitting in accordance with NI 31-102 a completed Form 33-109F1.

PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION

5.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.
- (2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.
- (3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.
- (4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.

- (5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

5.2 Termination of Relationship - A registered firm must, within 5 business days of an individual ceasing to be a permitted individual of the registered firm, notify the regulator in accordance with NI 31-102 of the termination of the relationship by submitting a completed Form 33-109F1.

PART 6 DUE DILIGENCE AND RECORD-KEEPING

6.1 Sponsoring Firm Obligations

- (1) A sponsoring firm must make reasonable efforts to ensure that information submitted by
 - (a) the firm for a permitted individual; or
 - (b) a registered individual, or an individual applying for registration, for whom the firm is the sponsoring firm,is true and complete.
- (2) A sponsoring firm must retain all documents used by the firm to satisfy its obligation under subsection (1),
 - (a) in the case of a permitted individual, for a period of seven years after the individual ceases to be a permitted individual; or
 - (b) in the case of a registered individual, or an individual applying for registration, for a period of seven years after the individual ceases to be a registered individual with the firm.
- (3) Without limiting the generality of subsection (2), if a registered individual, or an individual applying for registration, appoints an agent for service, the sponsoring firm must keep the original Appointment of Agent for Service executed by the individual for the period of time set out in paragraph (2)(b).
- (4) A sponsoring firm that retains a document under subsection (2) or (3) in respect of an NRD submission must record the NRD submission number on the document.

PART 7 EXEMPTION

7.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions, opposite the name of the local jurisdiction.

PART 8 INCONSISTENT PROVISIONS

8.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

5.1.2 Companion Policy 33-109CP to NI 33-109 Registration Information

**COMPANION POLICY 33-109CP
TO NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION**

PART 1 APPLICATION AND PURPOSE

- 1.1 **Application** - National Instrument 33-109 ("NI 33-109") has been implemented in all jurisdictions.
- 1.2 **Purpose** - The purpose of NI 33-109 is to consolidate and harmonize requirements regarding the initial submission of registration information and the updating of that information.

PART 2 BUSINESS LOCATIONS

- 2.1 **Business Locations** - The securities regulatory authority or regulator is of the view that a business location for a registered firm, or a person or company that is applying for registration, is a location within the jurisdiction, including a residence, where a firm's registered individuals are based for the purpose of carrying out registerable activity.

PART 3 NOTICE OF CHANGES

3.1 Bulk Transfer of Locations and Individuals

- (1) If a registered firm is acquiring a large number of business locations (for example, as a result of an amalgamation or asset purchase) from one or more other registered firms that are located in the same jurisdictions and registered in the same categories as the acquiring firm, and if a significant number of individuals are associated on NRD with the locations, the securities regulatory authority or regulator will consider exempting the firms and individuals involved in the transaction from the following requirements:
1. the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of NI 33-109;
 2. the requirement to submit a notice regarding each individual who ceases to be a permitted individual under section 5.2 of NI 33-109;
 3. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of NI 33-109;
 4. the requirement to submit a Form 33-109F4 for each permitted individual under section 3.3 of NI 33-109;
 5. the requirement under section 3.1 of NI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.
- (2) To exempt the firms and individuals involved in the transaction from the requirements set out above, the application should include the following information:
- (a) the name and NRD number of the registered firm that will acquire control of the business locations;
 - (b) for each registered firm that is transferring control of the business locations,
 - (i) the name and NRD number of the registered firm;
 - (ii) the address and NRD number of each business location that is being transferred from the registered firm named in (b)(i) to the registered firm named in (a); and
 - (c) the date that the business locations will be transferred to the registered firm named in (a).
- (3) To facilitate the processing of the exemption application, the applicant may put the information referred to in subsection (2) in the form set out in Appendix A to this Companion Policy.
- (4) This exemption application should be submitted by the registered firm that will acquire control of the business locations at the closing of the transaction and should be submitted sufficiently in advance of the date on which the business locations are to be transferred (the "transfer date"). At this time, the securities regulatory authority is of the view that submitting the application at least 30 days prior to the transfer date should be sufficient.

- (5) In addition to any application fee, it is likely that the payment of a fee will be a condition of this type of exemption order and that the fee will be related to the number of registered firms, business locations, registered individuals, and permitted individuals involved in the transaction.
- (6) If the exemption is granted, as soon as practicable after the transfer date, the regulator will instruct the NRD administrator to indicate the transfer of the business locations, the registered individuals, and the permitted individuals on NRD.

Bulk transfers involving firms that are registered in different categories or different jurisdictions may need to take additional steps. Firms involved in such a transaction should contact the applicable regulators to discuss what steps are required to allow the firms to use the bulk transfer process described above.

PART 4 DUE DILIGENCE

4.1 Sponsoring Firm Obligations - The securities regulatory authority or regulator is of the view that the reasonable efforts firms are required to undertake in Part 6 of NI 33-109 include

- (a) establishing written policies and procedures relating to the investigation of an individual prior to submitting a Form 33-109F4 on behalf of the individual;
- (b) ensuring that the review of an individual pursuant to these policies and procedures is documented; and
- (c) regularly reminding
 - (i) registered individuals about their disclosure obligations under NI 33-109, such as notifying the regulator about changes to information, and
 - (ii) permitted individuals to notify their sponsoring firm about changes to information, so that the sponsoring firm can fulfill its disclosure obligations under NI 33-109.

PART 5 COMMODITY FUTURES ACT SUBMISSIONS

5.1 In Ontario, if a person or company is required to make a submission under both NI 33-109 and OSC Rule 33-506 (*Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

Appendix A

Request for NRD Bulk Transfer of Business Locations

This is an application for exemption under National Instrument 33-109.

A) Registered firm that will acquire the business locations

Name:

Firm NRD number:

B) Registered firm transferring the business locations

Name:

Firm NRD number:

Business locations that will be transferred

Address of business location:

NRD number of business location:

Address of business location:

NRD number of business location:

(Repeat for each business location as necessary.)

C) Date that business locations will be transferred:

5.1.3 NI 31-102 National Registration Database

Unofficial Consolidation – February 23, 2007

This document is an unofficial consolidation of all amendments to Multilateral Instrument 31-102 current to February 23, 2007. This document is for reference purposes only and is not an official statement of the law.

NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE

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- 7.1 Inconsistent Provisions

NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

"authorized firm representative" or "AFR" means, for a firm filer, an individual with his or her own NRD user ID and who is authorized by the firm filer to submit information in NRD format for that firm filer and individual filers with respect to whom the firm filer is the sponsoring firm;

"chief AFR" means, for a firm filer, an individual who is an AFR and has accepted an appointment as a chief AFR by the firm filer;

"firm filer" means a person or company that is required under securities legislation to make an NRD submission in accordance with this Instrument and that is registered as, or has applied for registration as, a dealer, adviser, or underwriter;

"individual filer" means an individual that is required under securities legislation to make an NRD submission in accordance with this Instrument;

"NI 33-109" means National Instrument 33-109 Registration Information;

"National Registration Database" or "NRD" means the online electronic database of registration information regarding NRD filers and includes the computer system providing for the transmission, receipt, review, and dissemination of that registration information by electronic means;

"NRD account" means 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;

"NRD administrator" means CDS INC. or a successor appointed by the securities regulatory authority to operate NRD;

"NRD filer" means an individual filer or a firm filer;

"NRD format" means the electronic format for submitting information through the NRD website;

"NRD number" means the unique number first generated by NRD to identify an NRD filer, a permitted individual, or a business location;

"NRD submission" means information that is submitted under securities legislation or securities directions in NRD format, or the act of submitting information under securities legislation or securities directions in NRD format, as the context requires;

"NRD website" means the website operated by the NRD administrator for the NRD submissions.

1.2 Interpretation - Terms defined in NI 33-109 and used in this Instrument have the respective meanings ascribed to those terms in NI 33-109.

PART 2 INFORMATION TO BE SUBMITTED IN NRD FORMAT

2.1 Registration Information - A person or company that is required to submit any of the following to the securities regulatory authority or regulator must make the submission in NRD format:

1. Form 33-109F1;
2. Form 33-109F2;
3. Form 33-109F3;
4. Form 33-109F4 or a change to any information previously submitted in respect of Form 33-109F4.

PART 3 MAKING NRD SUBMISSIONS

3.1 NRD Submissions

- (1) An NRD filer that is required under securities legislation to submit information in NRD format must make that NRD submission
 - (a) through the NRD website,
 - (b) using the NRD number of the NRD filer, permitted individual, or business location, and
 - (c) in accordance with this Instrument.
- (2) A requirement in securities legislation relating to the format in which a document or other information to be submitted must be printed, or specifying the number of copies of a document that must be submitted, does not apply to an NRD submission required to be made in accordance with this Instrument.
- (3) An NRD filer making an NRD submission must make the NRD submission through an AFR.

3.2 Ongoing Firm Filer Requirements - A firm filer must

- (a) be enrolled with the NRD administrator to use NRD;
- (b) have one and no more than one chief AFR enrolled with the NRD administrator;
- (c) maintain one and no more than one NRD account;
- (d) notify the NRD administrator of the appointment of a chief AFR within 5 business days of the appointment;
- (e) notify the NRD administrator of any change in the name of the firm's chief AFR within 5 business days of the change; and
- (f) submit any change in the name of an AFR, other than the firm's chief AFR, in NRD format within 5 business days of the change.

PART 4 PAYMENT OF FEES THROUGH NRD

4.1 Payment of Submission Fees

- (1) If a fee is required with respect to an NRD submission, a firm filer must pay the required fee by electronic preauthorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

4.2 Payment of Annual Registration Fees

- (1) If a firm filer is required to pay an annual registration fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

4.3 Payment of NRD User Fees – Annual

- (1) If a firm filer is required to pay an annual NRD user fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.
- (2) A payment under subsection (1) must be made from the firm filer's NRD account.

PART 5 TEMPORARY HARDSHIP EXEMPTION

5.1 Temporary Hardship Exemption

- (1) If unanticipated technical difficulties prevent an NRD filer from making a submission in NRD format within the time required under securities legislation, the NRD filer is exempt from the requirement to make the submission within the required time period, if the NRD filer makes the submission in paper format or NRD format no later than 5 business days after the day on which the information was required to be submitted.
- (2) Form 33-109F5 is the paper format for submitting a notice of a change to Form 33-109F4 information.
- (3) If unanticipated technical difficulties prevent an individual filer from submitting an application in NRD format, the individual filer may submit the application in paper format.
- (4) If an NRD filer makes a paper format submission under this section, the NRD filer must include the following legend in capital letters at the top of the first page of the submission:

IN ACCORDANCE WITH SECTION 5.1 OF NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE (NRD), THIS [SPECIFY DOCUMENT] IS BEING SUBMITTED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.
- (5) If an NRD filer makes a paper format submission under this section, the NRD filer must resubmit the information in NRD format as soon as practicable and in any event within 10 business days after the unanticipated technical difficulties have been resolved.

PART 6 EXEMPTION

6.1 Exemption

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions, opposite the name of the local jurisdiction.

PART 7 INCONSISTENT PROVISIONS

7.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the Securities Regulation.

5.1.4 Companion Policy 31-102CP to NI 31-102 National Registration Database

**COMPANION POLICY 31-102CP
TO NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE**

PART 1 APPLICATION AND PURPOSE

- 1.1 **Application** - National Instrument 31-102 ("NI 31-102") has been implemented in all jurisdictions.
- 1.2 **Purpose** - The purpose of NI 31-102 is to establish requirements for the electronic submission of registration information through NRD.

PART 2 PRODUCTION OF NRD FILINGS

- 2.1 The securities legislation of several jurisdictions contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. Each relevant securities regulatory authority or regulator, as applicable, considers that it may satisfy such a requirement in the case of information filed in NRD format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the securities regulatory authority or regulator that the printed copy or output is a copy of the information filed in NRD format.

PART 3 DATE OF FILING

- 3.1 The securities regulatory authority or regulator takes the view that information filed in NRD format is, for purposes of securities legislation, filed on the day that the transmission of the information to NRD is completed.

PART 4 OFFICIAL COPY OF NRD FILINGS

- 4.1 For purposes of securities legislation, securities directions or any other related purpose, the securities regulatory authority or regulator takes the view that the official record of any information filed in NRD format by an NRD filer is the electronic information stored in NRD.

PART 5 AUTHORIZED FIRM REPRESENTATIVE AS AGENT

- 5.1 The securities regulatory authority or regulator is of the view that when making an NRD submission an AFR is an agent of the firm or individual to whom the filing relates.

PART 6 ONGOING FIRM FILER REQUIREMENTS

- 6.1 The securities regulatory authority or regulator expects that firm filers will follow the processes set out in the NRD Filer Manual to
- (a) enroll with the NRD administrator,
 - (b) keep their enrolment information current, and
 - (c) keep their NRD account information current.

PART 7 COMMODITY FUTURES ACT SUBMISSIONS

- 7.1 In Ontario, if a person or company is required to make a submission under both NI 31-102 and OSC Rule 31-509 (*Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

5.1.5 NI 33-109 Registration Information Amendment Instrument

**NATIONAL INSTRUMENT 33-109
REGISTRATION INFORMATION
AMENDMENT INSTRUMENT**

1. **The title of Multilateral Instrument 33-109 Registration Information is amended by striking out “Multilateral” and substituting “National”.**

2. **The table of contents of the Instrument is amended by**

- (a) **striking out “2.2 Individual Registration” and substituting “2.2 Individual Applicants”,**
- (b) **striking out “3.3 Addition of Non-registered Individuals” and substituting “ 3.3 Addition of Permitted individuals”,**
- (c) **adding “3.4 Changes to Other Registration Information” after “3.3 Addition of Permitted individuals”,**
- (d) **striking out “PART 5 CHANGES TO NON-REGISTERED INDIVIDUAL INFORMATION” and substituting “PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION”,**
- (e) **striking out the following:**

PART 8 TRANSITION TO NRD

- 8.1 Definitions
- 8.2 Changes to Form 3 Information
- 8.3 Changes to Business Location
- 8.4 Addition of Non-registered Individuals
- 8.5 Changes to Form 4 Information – Registered Individuals
- 8.6 Termination of Relationship – Registered Individuals
- 8.7 Changes to Form 4 Information – Non-Registered Individuals
- 8.8 Termination of Relationship – Non-Registered Individuals

PART 9 EFFECTIVE DATE

- 9.1 Effective Date, **and**

(f) **adding the following after “7.1 Exemption”:**

PART 8 INCONSISTENT PROVISIONS

- 8.1 Inconsistent Provisions

3. **Section 1.1 of the Instrument is amended,**

(a) **in the definition of “Form 4”, by adding “, or in Québec, after January 1, 2005” after “February 21, 2003”,**

(b) **by striking out the definition of “MI 31-102” and substituting the following:**

“NI 31-102” means National Instrument 31-102 *National Registration Database*,

(c) **by striking out the definition of “registered individual” and substituting the following:**

“registered individual” means, for a registered firm, an individual who,

- (a) is registered to trade or advise on behalf of the registered firm, or
- (b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm, **and**

(d) **by striking out the definition of “sponsoring firm” and substituting the following:**

“sponsoring firm” means,

- (a) for a registered individual,

- (i) the registered firm on whose behalf the individual trades or advises, or
 - (ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,
- (b) for an individual applying for registration,
- (i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or
 - (ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,
- (c) for a permitted individual of a registered firm on whose behalf the individual acts, or
- (d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

4. In the following provisions of the Instrument, “non-registered individual” is struck out wherever it occurs and “permitted individual” is substituted:

- (a) **section 1.1;**
- (b) **paragraph 2.1(c);**
- (c) **subsection 2.2(2);**
- (d) **paragraph 2.3(1)(b);**
- (e) **section 3.3;**
- (f) **section 5.1**
- (g) **section 5.2;**
- (h) **section 6.1.**

3. In the following provisions of the Instrument, “MI 31-102” is struck out wherever it occurs and “NI 31-102” is substituted:

- (a) **section 1.1;**
- (b) **section 1.2;**
- (c) **section 2.1;**
- (d) **section 2.2;**
- (e) **section 2.3;**
- (f) **section 3.2;**
- (g) **section 3.3;**
- (h) **section 4.1;**
- (i) **section 4.2;**
- (j) **section 4.3;**
- (k) **section 5.1;**
- (l) **section 5.2.**

4. The Instrument is amended by adding the following as a new section after section 3.3:

3.4 Changes to other registration information – A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

5. The Instrument is amended by repealing section 4.1 and substituting the following:

4.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.
- (2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.
- (3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 3 [*personal information*], Item 4 [*citizenship*], or paragraph 1 of Item 8 [*course or examination information*] of Form 33-109F4, or under this subsection, within 20 business days of the change.

6. The Instrument is amended by striking out the heading of Part 5 “Changes to Non-Registered Individual Information” and substituting “Changes to Permitted Individual Information”.

7. The Instrument is amended by repealing section 5.1 and substituting the following:

5.1 Changes to Form 33-109F4 Information

- (1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.
- (2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.
- (3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.
- (4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.
- (5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

8. Section 7.1 of the Instrument is amended by adding the following subsection after subsection 7.1(2):

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions, opposite the name of the local jurisdiction.

9. *Part 8 of the Instrument is repealed and the following is substituted:*

PART 8 INCONSISTENT PROVISIONS

8.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

10. *Part 9 of this Instrument is repealed.*
11. *This Instrument comes into force on May 15, 2007.*

5.1.6 NI 31-102 National Registration Database Amendment Instrument

**NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE
AMENDMENT INSTRUMENT**

1. *The title of Multilateral Instrument 31-102 National Registration Database is amended by striking out “Multilateral” and substituting “National”.*

2. *The table of contents of the Instrument is amended by*

(a) *striking out the following:*

PART 7 TRANSITION

- 7.1 Definitions
- 7.2 NRD Enrolment for Transition Firms
- 7.3 NRD Submissions before NRD Access Date
- 7.4 Accuracy of Business Location Information
- 7.5 Individuals Included in the Data Transfer
- 7.6 Individuals not Included in the Data Transfer
- 7.7 Changes to Form 4 Information – Registered Individuals
- 7.8 Changes to Form 4 Information – Non-registered Individuals
- 7.9 Pending Application to Change Individual’s Registration Category
- 7.10 Currency of Form 33-109F4
- 7.11 Termination or Cessation of Relationship

PART 8 EFFECTIVE DATE

- 8.1 Effective Date, *and*

(b) *adding the following after “6.1 Exemption”:*

PART 7 INCONSISTENT PROVISIONS

- 7.1 Inconsistent Provisions

3. *Section 1.1 of the Instrument is amended by striking out the definition of “MI 33-109” and substituting the following:*

“NI 33-109” means National Instrument 33-109 *Registration Information*,

4. *The definition of “NRD number” in section 1.1 of the Instrument is amended by striking out “non-registered individual” and substituting “permitted individual”.*

5. *Paragraph 3.1(1)(b) of the Instrument is amended by striking out “non-registered individual” and substituting “permitted individual”.*

6. *Subsection 5.1(4) of the Instrument is amended by striking out “MULTILATERAL” and substituting “NATIONAL”.*

7. *Section 6.1 of the Instrument is amended by adding the following subsection after subsection 6.1(2):*

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 Definitions, opposite the name of the local jurisdiction.

8. *Part 7 of this Instrument is repealed and the following is substituted:*

PART 7 INCONSISTENT PROVISIONS

7.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the Securities Regulation.

9. *Part 8 of this Instrument is repealed.*

10. *This Instrument comes into force on May 15, 2007.*

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
05/23/2007	48	Abbastar Holdings Ltd. - Flow-Through Shares	650,000.00	1,000,000.00
05/31/2007	1	ABC American -Value Fund - Units	150,000.00	18,497.74
05/31/2007	4	ABC Fundamental - Value Fund - Units	894,615.70	38,128.79
05/24/2007 to 06/01/2007	40	Accord Minerals Corp. - Common Shares	713,500.00	7,135,000.00
05/24/2007	140	Adex Mining Inc. - Receipts	9,000,000.00	N/A
05/18/2007	32	Aerocast Inc. - Units	335,006.00	1,340,024.00
05/30/2007	1	Airesurf Networks Holdings Inc. - Common Shares	26,608.00	532,160.00
05/17/2007 to 05/18/2007	184	Alexandria Minerals Corporation - Non-Flow Through Units	7,752,907.66	12,783,750.00
05/29/2007	155	Alpha Gold Corp - Common Shares	3,900,692.65	5,535,987.00
05/31/2007	38	Altima Resources Ltd. - Common Shares	611,500.00	1,776,000.00
05/31/2007	20	American International Group Inc. - Notes	400,000,000.00	N/A
05/24/2007	1	APAX Europe VII - B, L.P. - Capital Commitment	14,558,000.00	1.00
05/29/2007	51	Bellamount Exploration Ltd. - Common Shares	10,000,000.00	10,000,000.00
05/22/2007	13	Black Oak Energy Corp. - Common Shares	148,950.03	5,969,600.00
05/25/2007	55	Blue Tree Wireless Data Inc. - Units	1,591,300.50	10,608,670.00
05/09/2007	4	BNY Trust Company of Canada, as the Trustee of Aurora Trust - Notes	55,000,000.00	55,000,000.00
01/05/2007	145	Brockton Capital Group - Units	4,520,750.00	8,425,000.00
05/31/2007	1	Burlington Partners I LP. - Limited Partnership Units	50,000.00	50.00
05/25/2007 to 05/29/2007	21	Cadillac Ventures Inc. - Common Shares	615,599.60	1,025,999.00
06/01/2007	1	CAI Hedge Fund Partners L.P. - Units	267,500.00	250,000.00
05/09/2007	5	Candorado Operating Company Ltd. - Units	500,000.00	1,000,000.00
05/30/2007	8	Carina Energy Inc. - Flow-Through Shares	292,775.00	190,000.00
02/12/2007	5	CC&L Infrastructure Limited Partnership - Units	4,056,000.00	401,485.00
04/19/2007	16	Central Uranium Corporation - Common Shares	600,000.00	6,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/01/2006 to 12/31/2006	194	CGO&V Balanced Fund - Units	18,052,725.22	N/A
01/01/2006 to 12/31/2006	61	CGO&V Bedford Fund - Units	14,600,488.17	N/A
01/01/2006 to 12/31/2006	167	CGO&V Cumberland Fund - Units	16,767,449.55	16,767,449.55
01/01/2006 to 12/31/2006	30	CGO&V Enhanced Yield Fund - Units	15,925,988.16	N/A
01/01/2006 to 12/31/2006	166	CGO&V Equity Income Fund - Units	33,840,383.95	N/A
01/01/2006 to 12/31/2006	118	CGO&V Fixed Income Fund - Units	43,406,137.92	N/A
01/01/2006 to 12/31/2006	29	CGO&V Private Equity Fund - Units	1,000,000.00	100,000.00
05/11/2007	106	Chalice Diamondcorp Resources Inc. - Flow-Through Shares	2,336,710.00	12,578,069.00
05/23/2007	18	CIC Mining Resources Limited - Common Shares	5,460,000.00	12,000,000.00
05/24/2007	4	Citigroup Venture Capital International Growth Partnership, (Cayman Offshore) II, L.P. - Units	7,830,000.00	7,250.00
05/24/2007	33	Citigroup Inc. - Notes	499,690,000.00	500,000,000.00
05/25/2007 to 06/04/2007	11	CMC Markets Canada Inc. - Contracts for Differences	60,500.00	11.00
05/11/2007	29	Croesus Gold Inc. - Units	1,551,500.00	5,350,000.00
05/31/2007	1	Cygnal Technologies Corporation - Notes	2,147,800.00	N/A
05/01/2007	9	Cygnal Technologies Corporation - Units	1,485,261.25	2,700,475.00
05/25/2007	5	Diamond Key Capital Corporation - Bonds	142,000.00	1,420.00
05/25/2007	1	Distil Interactive Ltd. - Debentures	2,200,000.00	N/A
05/30/2007	2	Dolby Laboratories Inc. - Common Shares	6,931,200.00	200,000.00
05/25/2007 to 06/01/2007	24	DoveCorp Enterprises Inc. - Units	795,800.00	4,973,750.00
05/16/2007	3	Equimor Mortgage Investment Corporation - Common Shares	209,547.00	N/A
03/01/2007	1	Esterline Technologies Corporation - Notes	1,000,000.00	1.00
05/23/2007	15	FairWest Energy Corporation - Flow-Through Shares	707,895.00	1,573,100.00
05/24/2007 to 05/28/2007	2	First Leaside Fund - Trust Units	223,895.00	207,693.00
05/25/2007	1	First Leaside Properties Limited Partnership - Notes	188,930.00	175,000.00
05/25/2007	1	First Leaside Select Limited Partnership - Units	188,930.00	175,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
05/01/2007	1	Flatiron Market Neutral LP - Limited Partnership Units	3,900,000.00	3,575.53
12/19/2006	13	Fortune River Resource Corp. - Flow-Through Shares	460,000.00	1,000,000.00
05/28/2007	109	Forum Uranium Corporation - Units	6,374,075.00	5,448,730.00
05/31/2007	1	General Motors Acceptance Corporation - Debentures	2,033,250.00	75,000.00
05/22/2007 to 05/25/2007	16	General Motors Acceptance Corporation of Canada, Limited - Notes	4,565,829.14	4,565,829.14
05/28/2007 to 06/01/2007	30	General Motors Acceptance Corporation of Canada, Limited - Notes	16,121,109.64	16,121,109.64
05/29/2007	29	GEO Minerals Ltd. - Units	350,000.00	3,500,000.00
05/20/2007 to 05/29/2007	8	Global Trader Europe Limited - Special Trust Securities	12,245.90	6,610.00
05/29/2007	57	Globestar Mining Corporation - Common Shares	31,810,000.00	15,905,000.00
05/22/2007	15	Gold Port Resources Ltd. - Units	2,990,000.00	6,500,000.00
05/25/2007	16	Honda Canada Finance Inc. - Debentures	225,000,000.00	225,000.00
05/08/2007	55	Inspiration Mining Corporation - Units	6,187,500.00	2,250,000.00
06/04/2007	1	International Wayside Gold Mines Ltd. - Notes	81,566.41	N/A
04/20/2007	25	ISX Resources Inc. - Units	2,450,000.00	7,000,000.00
05/22/2007	2	KBSH Enhanced Income Fund - Units	728,410.33	60,174.34
05/25/2007	1	KBSH Private - Fixed Income Fund - Units	200,000.00	19,800.02
05/22/2007	2	KBSH Private - Global Equity Fund - Units	157,180.00	13,908.50
05/22/2007	1	KBSH Private - Global Value Fund - Units	200,000.00	18,916.11
05/22/2007	1	KBSH Private - International Equity Fund - Units	200,000.00	16,261.49
05/22/2007	1	KBSH Private - U.S. Equity Fund - Units	109,959.87	7,910.46
05/22/2007	3	KBSH Private North American Special Equity Fund - Units	138,240.00	4,902.82
05/24/2007	1	KBSH Private North American Special Equity Fund - Units	5,000.00	176.47
05/31/2007	7	Kingwest Avenue Portfolio - Units	829,313.23	22,898.83
05/31/2007	2	Kingwest Canadian Equity Portfolio - Units	208,647.95	15,157.09
05/31/2007	2	Kingwest U.S. Equity Portfolio - Units	210,175.10	11,946.25
05/17/2007	19	Liberty Mines Inc. - Units	18,600,000.00	4,000,000.00
05/31/2007	5	LifeCycles Health Management Inc. - Preferred Shares	200,000.00	2,000.00
05/23/2007	7	Mantis Mineral Corp. - Common Shares	110,000.00	2,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
05/01/2007	5	MCAN Performance Strategies - Limited Partnership Units	2,821,000.00	N/A
05/29/2007	44	Medicago Inc. - Units	2,000,000.00	4,000,000.00
05/24/2007	18	Mediterranean Resources Ltd. - Units	13,000,000.26	34,210,527.00
05/08/2007	13	Melkior Resources Inc. - Units	1,499,999.65	3,157,894.00
05/28/2007	7	Meriton Networks Inc. - Notes	729,599.48	N/A
05/18/2007	2	Merrill Lynch Financial Assets Inc. - Certificate	29,649,224.13	N/A
05/30/2007	17	Merrill Lynch & Co., Inc. - Notes	431,736,480.00	N/A
05/31/2007	1	Mirabela Nickel Limited - Common Shares	18,285,000.00	34,500,000.00
05/25/2007 to 05/31/2007	127	Miracle Diamond Investment #1 Limited Partnership - Limited Partnership Units	3,290,000.00	329.00
06/04/2007	1	MMAI-I Trust - Notes	20,000,000.00	200,000.00
04/13/2007	4	MMV Financial Inc. - Loans	34,129,894.00	N/A
05/24/2007	2	Molycor Gold Corporation. - Units	500,000.00	2,000,000.00
05/31/2007	24	National Bank of Canada - Notes	2,537,000.00	2,537.00
06/20/2003 to 05/10/2007	3	Neuro Discovery Limited Partnership - Units	29,445,000.00	294,450.00
06/05/2007	2	Newstrike Resources Ltd. - Flow-Through Shares	500,000.00	1,000,000.00
05/25/2007	18	Northfield Metals Inc. - Common Shares	1,590,009.00	2,274,763.00
05/28/2007	45	NovaDx Ventures Corp. - Units	3,194,176.20	10,647,254.00
04/13/2007	20	Nuinsco Resources Limited - Flow-Through Shares	6,000,000.24	10,344,828.00
05/25/2007	2	Oaktree Capital Group LLC - Units	9,612,240.00	200,000.00
05/04/2007	11	OneMove Technologies Inc - Common Shares	7,999,920.00	22,222,000.00
06/01/2007	6	Pacific North West Capital Corp. - Flow-Through Shares	215,000.00	430,000.00
06/01/2007	12	Pacific North West Capital Corp. - Non-Flow Through Units	2,983,975.00	5,967,950.00
05/25/2007	6	Palo Duro Energy Inc. - Common Shares	6,355,249.70	3,000,000.00
05/18/2007	58	Petaquilla Copper Ltd - Units	23,402,718.00	11,711,359.00
05/14/2007	6	Queen Street Entertainment Capital Inc. - Units	213,100.00	N/A
05/24/2007	31	ReMac Zinc Corp. - Warrants	2,500,000.00	3,846,154.00
06/01/2007	1	Renaissance Institutional Equities Fund International L.P. - L.P. Interest	3,233,100.00	3,000,000.00
04/19/2007	37	Ridgeway Petroleum Corp. - Units	3,100,720.00	1,550,360.00
03/25/2007	4	ShifTV Inc. - Special Warrants	869,050.00	455,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/07/2007	2	Silverbirch Inc. - Common Shares	666,116.10	4,440,774.00
02/23/2007	115	Southern Silver Exploration Corp. - Units	6,500,000.00	13,000,000.00
05/25/2007	172	Superior Diamonds Inc. - Units	10,000,000.00	5,422,100.00
05/16/2007	105	Sustainable Energy Technologies Ltd. - Units	6,499,900.00	32,499,500.00
05/28/2007	1	Tanzanian Royalty Exploration Corporation - Common Shares	345,000.00	66,254.00
05/31/2007	15	Titan Exploration Inc. - Flow-Through Shares	10,125,000.00	3,750,000.00
05/29/2007	7	Triacta Power Technologies Inc. - Common Shares	680,000.00	340,000.00
05/22/2007	1	UHS Merger Sub, Inc. - Notes	1,069,900.00	N/A
05/24/2007	2	Uniserve Communications Corporation - Loans	0.00	3,500,000.00
05/25/2007	6	Valcent Products Inc. - Units	1,344,680.00	2,113,332.00
02/28/2007 to 03/30/2007	22	Vortaloptics, Inc. - Common Shares	403,213.69	0.00
05/25/2007	11	Western Biodiesel Inc. - Common Shares	356,949.00	594,915.00
05/28/2007	8	X-Terra Resources Corporation - Common Shares	560,000.00	1,000,000.00
05/25/2007	11	Zaruma Resources Inc. - Common Shares	579,075.00	5,515,000.00
06/01/2007	30	ZoomMed Inc. - Common Shares	6,000,000.00	N/A
04/30/2007	20	Zoro Mining Corp. - Units	2,891,200.00	2,080,000.00
05/18/2007	24	Zoro Mining Corp. - Units	1,738,080.00	1,022,400.00
06/04/2007	1	Zounds Inc. - Preferred Shares	26,450.00	31,250.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Acuity Small Cap Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 7, 2007

Offering Price and Description:

Maximum: \$ * - * Units Each Unit consisting of a Class A Share and one full Class A Share Purchase Warrant Price: \$10.00 per Unit Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Canaccord Capital Corporation
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
GMP Securities L.P.
IPC Securities Corporation
Richardson Partners Financial Limited
Wellington West Capital Inc.

Promoter(s):

Acuity Funds Ltd.
Project #1116252

Issuer Name:

ADF Group Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated June 5, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$12,608,663.00 - 3,602,475 Subordinate Voting Shares
Price: \$3.50 per Subordinate Voting Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
North Securities Inc.
Laurentian Bank Securities Inc.

Promoter(s):

-
Project #1115871

Issuer Name:

Armadillo Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 11, 2007

Offering Price and Description:

Maximum Offering: \$750,000.00 or 5,000,000 shares
Minimum Offering: \$600,000.00 or 4,000,000 shares Price: \$0.15 per share

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Malcolm Powell
Project #1117161

Issuer Name:

Dynamic Global Energy Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated June 11, 2007
Mutual Reliance Review System Receipt dated June 12, 2007

Offering Price and Description:

Series A, F, I and O Shares

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

-
Project #1117550

Issuer Name:

Carfinco Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 5, 2007
Mutual Reliance Review System Receipt dated June 5, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

-
Project #1115767

Issuer Name:

Dynamic Global Infrastructure Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated June 11, 2007
Mutual Reliance Review System Receipt dated June 12, 2007

Offering Price and Description:

Series A, F, I, O and T Units

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

-

Project #1117548

Issuer Name:

GHG Emission Credit Participation Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 7, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$ * - * Units Price: \$ * per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

First Asset Investment Management Inc.

Project #1116762

Issuer Name:

Great-West Lifeco Finance (Delaware) L.P.
Principal Regulator - Manitoba

Type and Date:

Preliminary Short Form Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$ * principal amount of k % Subordinated Debentures due * , 2067 fully and unconditionally guaranteed on a subordinated basis by Great-West Lifeco Inc.

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Casgrain & Company Limited
Desjardins Securities Inc.
Morgan Stanley Canada Limited
J.P. Morgan Securities Canada Inc.

Promoter(s):

-

Project #1116914

Issuer Name:

GTA CorpFin Capital Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated June 12, 2007
Mutual Reliance Review System Receipt dated June 12, 2007

Offering Price and Description:

\$500,000.00
2,500,000 Common Shares at a price of \$0.20 per Common Share

Agent's Option to acquire

250,000 Common Shares at a price of

\$0.20 per Common Share

Incentive Stock Options to acquire

442,000 Common Shares at a price of

\$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Peter M. Clausi

Brian Crawford

Project #1117886

Issuer Name:

Kereco Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$70,000,000.00 - 4.75% Convertible Unsecured Subordinated Debentures Due June 30, 2012 Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
GMP Securities L.P.
CIBC World Markets Inc.
Canaccord Capital Corporation
Cormark Securities Inc.
FirstEnergy Capital Corp.
Orion Securities Inc.
Triston Capital Inc.

Promoter(s):

-

Project #1117089

Issuer Name:

Media Ventures Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$1,725,000.00 - 8,625,000 Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

-

Project #1116909

Issuer Name:

North American Palladium Ltd.

Type and Date:

Preliminary Short Form Shelf Prospectus dated June 4, 2007

Received on June 6, 2007

Offering Price and Description:

45,031 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1115690

Issuer Name:

Pathway Mining 2007-II Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated June 5, 2007

Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$30,000,000.00 (Maximum Offering); \$5,000,000.00 (Minimum Offering) - A Maximum of 3,000,000 and a Minimum of 500,000 Limited Partnership Units Minimum Subscription: 250 Units Subscription Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Burgeonvest Securities Limited
Research Capital Corporation
Argosy Securities Inc.
Integral Wealth Securities Limited

Promoter(s):

Pathway Mining 2007-II Inc.

Project #1065035

Issuer Name:

Prizm Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$30,000,000.00 - Series 2007 6.50% Convertible Unsecured Subordinated Debentures

Price: \$1,000.00 per Debentures

Underwriter(s) or Distributor(s):

TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #1116794

Issuer Name:

Real Estate Asset Liquidity Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$352,327,000.00 - (Approximate) Commercial Mortgage Pass-Through Certificates, Series 2007-2

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Promoter(s):

Royal Bank of Canada

Project #1115947

Issuer Name:

Royal Host Real Estate Investment Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$60,000,000.00 - 5.90% Convertible Unsecured Subordinated Debentures, due 2014 Price: \$1,000.00 per Debenture

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1117121

Issuer Name:

Schooner Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$480,577,000.00 (approximate) COMMERCIAL
MORTGAGE PASS-THROUGH CERTIFICATES, SERIES
2007-8

Underwriter(s) or Distributor(s):

TD Securities Inc.
Credit Suisse Securities (Canada), Inc.

Promoter(s):

-

Project #1115972

Issuer Name:

Urbana Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$* - * Units, each comprised of One Non-Voting Class A
Share and one-half of one Non-Voting Class A Share
Purchase Warrant Price: \$ * per Unit

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Raymond James Ltd.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Wellington West Capital Inc.
GMP Securities L.P.

Promoter(s):

-

Project #1115963

Issuer Name:

Yaletown Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$800,000.00 (4,000,000 COMMON SHARES) Price: \$0.20
per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Corp.

Promoter(s):

Larry Whitehead

Project #1116937

Issuer Name:

AIC Canadian Income Choice Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 5, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

Canadian Dividend Shares
Capital Gains Shares
Capital Growth Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited
Project #1094097

Issuer Name:

Baytex Energy Trust
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

\$149,450,000.00 - 7,000,000 Subscription Receipts, each
representing the right to receive one Trust Unit Price:
\$21.35 per Subscription Receipt

Underwriter(s) or Distributor(s):

TD Securities Inc.
FirstEnergy Capital Corp.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Peters & Co. Limited
Raymond James Ltd.
Cormark Securities Inc.
Dundee Securities Corporation

Promoter(s):

-

Project #1114792

Issuer Name:

Claymore BRIC ETF
Claymore Canadian Fundamental Index ETF
Claymore CDN Dividend & Income Achievers ETF
Claymore International Fundamental Index ETF
Claymore Japan Fundamental Index ETF C\$ hedged
Claymore Oil Sands Sector ETF
Claymore S&P/TSX Global Mining ETF
Claymore US Fundamental Index ETF C\$ hedged
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 7, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

Common Units and Advisor Class Units

Underwriter(s) or Distributor(s):

Claymore Investments, Inc.

Promoter(s):

-

Project #1086395

Issuer Name:

Covington Strategic Capital Fund Inc.

Type and Date:

Amendment #1 dated June 11, 2007 to Final Prospectus dated February 22, 2007
Received on June 12, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Covington Capital Corporation

Project #1040203

Issuer Name:

Faircourt Dividend Fund (Class A, F and I units)
Faircourt Global Income Advantage Class (Class A, F and I shares)
Faircourt Income Advantage Class (Class A, F and I shares)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 7, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

Class A, F and I Units and Class A, F and I Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Faircourt Aset Management Inc.

Project #1087350

Issuer Name:

Financial Industry Opportunities Fund Inc.

Type and Date:

Amendment #1 dated June 11, 2007 to the Prospectus dated January 16, 2007
Received on June 12, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1031898

Issuer Name:

Series A units, Series F units and Series I units of :
FRONTIERALT ALL TERRAIN CANADA FUND
FRONTIERALT ALL TERRAIN WORLD FUND
FRONTIERALT ALL TERRAIN BOND FUND

Series A shares of:

FRONTIERALT RESOURCE CAPITAL CLASS FUND

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 7, 2007
Mutual Reliance Review System Receipt dated June 12, 2007

Offering Price and Description:

Series A units, Series F units and Series I units

Underwriter(s) or Distributor(s):

-

Promoter(s):

FrontAlt Funds Management Limited

Project #1090867

Issuer Name:

Halcyon Hirsch Opportunistic Canadian Fund
Halcyon Hirsch Opportunistic Tactical Allocation Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 11, 2007
Mutual Reliance Review System Receipt dated June 12, 2007

Offering Price and Description:

Mutual fund units at net asset value

Underwriter(s) or Distributor(s):

Burgeonvest Securities Limited

Promoter(s):

-

Project #1099709

Issuer Name:

Harmony Balanced Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 5, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

Wrap Series and Embedded Series Units

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF Funds Inc.

Project #1087264

Issuer Name:

Homburg Invest Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Prospectus dated June 5, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$190,050,000.00 - 36,200,000 Subscription Receipts each representing the right to receive one Class A Subordinate Voting Share

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1096369

Issuer Name:

Horizons BetaPro S&P/TSX Capped Financials Bull Plus ETF

(formerly Horizons BetaPro S &P/TSX Capped Financials Sector Bull Plus ETF)

Horizons BetaPro S&P/TSX Capped Financials Bear Plus ETF

(formerly Horizons BetaPro S &P/TSX Capped Financials Sector Bear Plus ETF)

Horizons BetaPro S&P/TSX Capped Energy Bull Plus ETF
(formerly Horizons BetaPro S &P/TSX Capped Energy Sector Bull Plus ETF)

Horizons BetaPro S&P/TSX Capped Energy Bear Plus ETF
(formerly Horizons BetaPro S &P/TSX Capped Energy Sector Bear Plus ETF)

Horizons BetaPro S&P/TSX Global Gold Bull Plus ETF
(formerly Horizons BetaPro S &P/TSX Global Gold Sector Bull Plus ETF)

Horizons BetaPro S&P/TSX Global Gold Bear Plus ETF
(formerly Horizons BetaPro S &P/TSX Global Gold Sector Bear Plus ETF)

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 7, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

BetaPro Management Inc.

Project #1082302

Issuer Name:

Killam Properties Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Prospectus dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

\$60,003,500.00 - 5,854,000 Common Shares Price: \$10.25 per Common Share

Underwriter(s) or Distributor(s):

RBC Capital Markets Inc.
Canaccord Capital Corporation
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Desjardins Securities Inc.
Genuity Capital Markets
Blackmont Capital Inc.
Beacon Securities Limited
M. Partners Inc.
Trilon Securities Corporation

Promoter(s):

-

Project #1114416

Issuer Name:

Lakeview Disciplined Leadership Canadian Equity Fund
Lakeview Disciplined Leadership High Income Fund
Lakeview Disciplined Leadership U.S. Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 29, 2007 to the Simplified Prospectuses and Annual Information Forms dated June 22, 2006

Mutual Reliance Review System Receipt dated June 11, 2007

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Lakeview Asset Management Inc.

Project #941534

Issuer Name:

Lakeview KBSH Equity Income Explorer Fund
Lakeview KBSH Large Cap Explorer Fund
Lakeview KBSH Premium Bond Explorer Fund
Lakeview KBSH Small Cap Explorer Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated May 29, 2007 to the Simplified Prospectuses and Annual Information Forms dated August 25, 2006

Mutual Reliance Review System Receipt dated June 11, 2007

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Lakeview Asset Management Inc.

Project #966637

Issuer Name:

Marquis Canadian Bond Pool
Marquis High Yield U.S. Bond Pool
Marquis Canadian Equity Pool
Marquis Enhanced Canadian Equity Pool
Marquis U.S. Equity Pool
Marquis International Equity Pool
Marquis Global Equity Pool
Marquis Diversified Defensive Portfolio
Marquis Diversified Conservative Portfolio
Marquis Diversified Balanced Portfolio
Marquis Diversified Growth Portfolio
Marquis Diversified High Growth Portfolio
Marquis Diversified All Equity Portfolio
Marquis Diversified All Income Portfolio
Marquis MultiPartners Growth Portfolio
Marquis MultiPartners High Growth Portfolio
Marquis MultiPartners Equity Portfolio
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated June 1, 2007 to the Simplified Prospectuses dated November 23, 2006

Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd
Goodman & Company, Investment Counsel Ltd.
Desjardins Trust Investment Services Inc.
Cartier Partners Securities Inc.

Promoter(s):

Goodman & Company, Investment Counsel Ltd

Project #1006148

Issuer Name:

McCoy Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 8, 2007

Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

New Issue:: \$36,487,500.00 - 6,950,000 Common Shares
and Secondary Offering: \$9,975,000.00 - 1,900,000
Common Shares Price: \$5.25 per Common Share

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Raymond James Ltd.

Promoter(s):

-

Project #1104375

Issuer Name:

Nexen Inc.
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

U.S.\$2,500,000,000.00:

Common Shares
Class A Preferred Shares
Senior Debt Securities
Subordinated Debt Securities
Subscription Receipts
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1111767

Issuer Name:

Titan Balanced Growth Portfolio
Titan Aggressive Equity Portfolio
Titan Balanced Income Portfolio
Titan Balanced Portfolio
Titan Conservative Portfolio
Titan Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 8, 2007
Mutual Reliance Review System Receipt dated June 8, 2007

Offering Price and Description:

Series A and Series B Units

Underwriter(s) or Distributor(s):

Partners In Planning Financial Services Ltd.

Promoter(s):

Titan Funds Incorporated

Project #1082908

Issuer Name:

West Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 6, 2007

Offering Price and Description:

\$62,500,320.00 - 13,020,900 Common Shares Price: \$4.80 per Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.

Promoter(s):

-

Project #1108784

Issuer Name:

Wireless Matrix Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 6, 2007
Mutual Reliance Review System Receipt dated June 7, 2007

Offering Price and Description:

\$12,750,000.00 - 12,500,000 Common Shares Price:\$1.02 per Common Share

Underwriter(s) or Distributor(s):

Orion Securities Inc.
GMP Securities L.P.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1111368

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Category	Origin Capital Management Ltd.	From: Extra-Provincial Investment Counsel and Portfolio Manager To: Extra-Provincial Investment Counsel and Portfolio Manager and Limited Market Dealer	June 6, 2007
New Registration	Instinet I-X Limited	Investment Dealer	June 7, 2007
New Registration	Juno Asset Management Inc.	Limited Market Dealer	June 7, 2007
New Registration	NISA Investment Advisors, L.L.C.	International Adviser (Investment Counsel and Portfolio Manager)	June 8, 2007
Consent to Suspension (Rule 33-501 - Surrender of Registration)	Shorcan ATS Limited	Investment Dealer	June 8, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA - Proposed Amendments to the Definitions of Acceptable Clearing Corporations and Acceptable Securities Locations in Form 1

INVESTMENT DEALERS ASSOCIATION OF CANADA – PROPOSED AMENDMENTS TO THE DEFINITIONS OF ACCEPTABLE CLEARING CORPORATIONS AND ACCEPTABLE SECURITIES LOCATIONS IN FORM 1

I OVERVIEW

Currently, the entities that qualify to be acceptable clearing corporations (ACCs) and acceptable securities locations (ASLs) are listed within their definitions in the General Notes and Definitions to Form 1. If there are any changes to the entities listed (e.g. name changes, additions or deletions), the IDA would need to go through the normal rule amendment process to make these changes, which can be lengthy. Consequently, in order to make it easier for these lists to be maintained and updated on a timely basis, the IDA proposes to remove the entities listed within these two definitions and separately publish them as lists that are issued by Member Regulation notice. These lists would also be made available on the Supporting Schedules section of the IDA website.

A Current Rules

The definitions of ACCs and ASLs in Form 1 list the entities that meet their definitions within the definitions themselves. ACCs are actually defined as the entities listed in its definition. ASLs are defined with stated criteria, entities (depositories) in Canada and the United States that meet the criteria are listed, and a separate list of other foreign depositories or clearing agencies that meet the definition's criteria is referred to. Some of the entities listed have had their names changed or have been restructured, merged or acquired, and the lists have not been updated frequently enough to reflect these changes. Moreover, there are entities that would otherwise qualify to be ACCs or ASLs that have not yet been added to the list.

B The Issue(s)

The issue is it is difficult for the IDA to administer changes to the lists of entities that qualify as ACCs and ASLs in order to maintain and update them on a timely basis. Maintaining and updating these lists on a timely basis is important to the IDA and its Members as the capital implications to them regarding dealing with entities that are on these lists versus entities that would otherwise qualify to be on these lists can be significant. By enabling IDA staff to readily make changes to these lists as needed, Members will be able to use their capital more efficiently, and the IDA would be able to react to changes in the markets more quickly.

C Objective(s)

The objective of the proposed amendments is to make it easier for the lists of entities that qualify as ACCs and ASLs to be maintained and updated on a timely basis by the IDA.

D Effect of Proposed Rules

The proposed amendments are expected to be beneficial to Members and the markets in general as Members would be able to use their capital more efficiently. In addition, the IDA would be able to react to market changes more quickly and efficiently as the timing and costs associated with avoiding the normal rule amendment process for these administrative changes will be reduced considerably.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

The definitions of ACCs and of ASLs (specifically the depositories section) in Form 1 list the entities that meet their definitions within the definitions themselves. ACCs are actually defined as the entities listed in its definition and ASLs are defined as entities that meet certain stated criteria. In addition, the definition of ASLs within its depositories section lists the entities in Canada and the United States that meet the criteria, and a separate list of other foreign depositories or clearing agencies that meet the definition's criteria is referred to.

A number of the entities in both definitions have had their names changed, been restructured, merged or acquired, and the lists have not been updated quickly enough to reflect these changes. Moreover, there are entities that would otherwise qualify to be ACCs or ASLs that have not yet been added to the list.

The proposed amendments, included as Attachment #1, would remove the entities listed within each definition and indicate that the entities are listed elsewhere. The lists of entities would be maintained, regularly updated, and published as Member Regulation notices by the IDA. Moreover, these lists would be made available on the Supporting Schedules section of the IDA website similar to the other IDA lists such as:

- List of Securities Eligible for Reduced Margin ("LSERM")
- List of financial institutions / entities / mutual funds with signed Custodial Agreement
- List of Acceptable Institutions / Acceptable Counterparties
- List of Exchanges / Associations whose members qualify as Regulated Entities
- List of Countries that qualify under the definition of Basle Accord Countries
- List of Floating and Tracking Error Margin Rates for Offsets Involving U.S. Index Products
- List of Foreign Exchange Margin Rates

B Issues and Alternatives Considered

The status quo alternative was not considered practical and no other alternatives were considered given the nature of the proposed amendments.

C Comparison with Similar Provisions

The self regulatory organizations or regulators in the U.S. and the U.K. set criteria that entities have to meet for various purposes within their rules and they separately list those entities that meet the criteria. For example, in the U.S., the NASD separately lists registered clearing agencies and depositories as a "Reference List" on its website; and in the U.K., the FSA separately lists recognised investment exchanges, recognised clearing houses, and regulated markets on its website as well.

D Systems Impact of Rule

The IDA believes that the proposed amendments will have no impact on systems. The Bourse de Montréal is also in the process of passing these amendments. Implementation of these amendments will therefore take place once both the IDA and the Bourse de Montréal have received approval to do so from their respective recognizing regulators.

E Best Interests of the Capital Markets

The Board has determined that the proposed amendments are not detrimental to the best interests of the capital markets.

F Public Interest Objective

According to the IDA's Order of Recognition as a self regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes and effects, including possible effects on market structure and competition." Statements have been made elsewhere as to the nature and effects of the proposal with respect to the proposed amendments to the definitions of acceptable clearing corporations and acceptable securities locations. The purpose of the proposal is to: "provide for the administration of the affairs of the IDA."

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

The proposed amendments are in the public interest as in general they will allow a more timely recognition of entities that qualify as acceptable clearing corporations and acceptable securities locations, which will be positive for Members, the IDA, and the capital markets as a whole.

III COMMENTARY

A Filing in Other Jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Quebec and Ontario, and will be filed for information in Manitoba, Newfoundland and Labrador, Nova Scotia and Saskatchewan.

B Effectiveness

An assessment of the effectiveness of the proposed rules in addressing the issues is discussed above.

C Process

This proposal was developed by IDA staff in consultation with the Financial Administrators Section (FAS) Capital Formula Subcommittee, the FAS Executive, and the FAS.

IV SOURCES

References:

- The General Notes and Definitions to the Joint Regulatory Financial Questionnaire and Report (Form 1)
- IDA's various published lists on its Supporting Schedules webpage
- U.S. NASD's Reference List of Registered Clearing Agencies and Depositories (http://www.nasd.com/Resources/InformationforFirms/NASDW_012777)
- U.K. FSA's List of Recognised Investment Exchanges; Recognised Overseas Investment Exchanges; Recognised Clearing Houses; Recognised Overseas Clearing Houses; Designated Investment Exchanges; and Regulated Markets (<http://www.fsa.gov.uk/register/exchanges.do>)
- Bourse de Montréal's Circular no: 026-2007, Changes to the Definitions of "Acceptable Clearing Corporations" and "Acceptable Securities Locations"

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying amendments.

The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Anwerd Ramcharan, Specialist, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Anwerd Ramcharan
Specialist, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-5850
aramcharan@ida.ca

**INVESTMENT DEALERS ASSOCIATION OF CANADA
PROPOSED AMENDMENTS TO THE DEFINITIONS OF ACCEPTABLE CLEARING CORPORATIONS
AND ACCEPTABLE SECURITIES LOCATIONS IN FORM 1**

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. The definition of acceptable clearing corporations is amended by deleting all the words immediately after the word "means" and adding the following words immediately after the word "means":

"those entities considered suitable to provide a Member with securities clearing and settlement services. The SROs will maintain and regularly update a list of those acceptable clearing corporations."
2. The depositories section of the definition of acceptable securities locations is amended by:
 - deleting all the words immediately after the word "1. Depositories" and ending the deletion immediately after the words "(c) Other Foreign";
 - adding the words "or Clearing Agencies" immediately after the word "1. Depositories";
 - replacing the words "Foreign securities" with the word "Securities";
 - deleting the word "the" immediately before the words "foreign country";
 - adding the words "Canada, the United States or other" immediately before the words "foreign country"; and
 - deleting the word "foreign" immediately before the words "depositories or clearing agencies" in the last sentence.

BE IT RESOLVED THAT the Board of Directors adopt, on this 6th day of June 2007, the English and French versions of these amendments. The Board of Directors also authorizes the Association Staff to make the minor changes that shall be required from time to time by the securities administrators with jurisdiction. These amendments shall take effect on the date determined by the Association Staff.

1. Proposed Amendments to Form 1 to the Definition of Acceptable Clearing Corporations

“(a) **“acceptable clearing corporations”** means the following entities— those entities considered suitable to provide a Member with securities clearing and settlement services. The SROs will maintain and regularly update a list of those acceptable clearing corporations.

1. ~~Canada~~
 - ~~The Canadian Depository for Securities Limited~~
 - ~~Canadian Derivatives Clearing Corporation~~
 - ~~WCE Clearing Corporation~~
2. ~~United States~~
 - ~~National Securities Clearing Corporation~~
 - ~~Pacific Clearing Corporation~~
 - ~~Stock Clearing Corporation of Philadelphia~~
 - ~~Midwest Clearing Corporation~~
 - ~~Boston Clearing Corporation~~
 - ~~Board of Trade Clearing Corporation~~
 - ~~Options Clearing Corporation~~
 - ~~Chicago Mercantile Exchange Clearing Corporation~~
 - ~~New York Commodity Exchange Clearing Corporation~~
3. ~~Other Foreign~~
 - ~~Euroclear~~
 - ~~Cedel S.A.~~
 - ~~International Securities Clearing Corporation”~~

2. Proposed Amendments to Form 1 to the Definition of Acceptable Securities Locations

“(d) “acceptable securities locations” means those entities considered suitable to hold securities on behalf of a Member, for both inventory and client positions, without capital penalty, given that the locations meet the requirements outlined in the segregation bylaws, rules or regulations of the Joint Regulatory Bodies including, but not limited to, the requirement for a written custody agreement outlining the terms upon which such securities are deposited and including provisions that no use or disposition of the securities shall be made without the prior written consent of the Member and the securities can be delivered to the Member promptly on demand. The entities are as follows:

1. Depositories or Clearing Agencies
 - (a) ~~Canada~~
 - ~~The Canadian Depository for Securities Limited~~
 - ~~Canadian Derivatives Clearing Corporation~~
 - ~~WCE Clearing Corporation~~
 - (b) ~~United States~~
 - ~~Depository Trust Company~~
 - ~~Pacific Securities Depository Trust Company~~
 - ~~Midwest Securities Trust Company~~
 - ~~Stock Clearing Corporation of Philadelphia~~
 - ~~Options Clearing Corporation~~

(c) — Other Foreign

~~Foreign securities~~ Securities depositories or clearing agencies incorporated or organized under the laws of Canada, the United States or other the foreign country and operating a central system for handling securities or equivalent book-based entries in that country and subject to enabling legislation by a central government authority in the country of operation that provides for compliance and powers of enforcement over its members.

The SROs will maintain and regularly update a list of those ~~foreign~~ depositories or clearing agencies that comply with these criteria.”

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Institutional Trade Reporting Statistics

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

INSTITUTIONAL TRADE REPORTING STATISTICS

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

National Instrument 24-101 became effective April 1, 2007 although specific reporting and documentation requirements do not begin until October 1, 2007 for filing in February 2008 by market participants. The proposed amendments to CDS Procedures are intended to ensure compliance with CSA reporting requirements as prescribed for CDS in NI 24-101.

The proposed amendments are also intended to provide participants with reports they can use to meet their own requirements for compliance reporting and to automate the creation of reports to reduce unnecessary staff effort.

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

In English: <http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-UserDocumentation?Open>

En français: <http://www.cds.ca/cdsclearinghome.nsf/Pages/-FR-Documentation?Open>

Description of Proposed Amendments

The proposed amendments to the CDS User Guide entitled *CDS Reporting Procedures* are as follows:

- Section 15 of the User Guide has been modified to clarify the contents and structured of the following reports:
 - *Institutional Trade Confirmations by Confirming Participant Report*
 - *Institutional Trade Entries by Entry Participant Report*
 - *Institutional Trade Confirmations by Settlement Period Report*
 - *Institutional Trade Entries by Settlement Period Report*

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are amendments required to ensure consistency or compliance with an existing rule, securities legislation, or other regulatory requirement.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the OSC Recognition and Designation Order, as amended 1 November, 2006, and *Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers")* of AMF Decision 2006-PDG-0180, made effective on 1 November, 2006, CDS has determined that these amendments will be effective on **June 15, 2007**.

D. QUESTIONS

Questions regarding this notice may be directed to:

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

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

JAMIE ANDERSON
Managing Director, Legal

13.1.3 MFDA Prairie Hearing in the Matter of Ronald Freynet

NEWS RELEASE
For immediate release

**MFDA PRAIRIE HEARING
IN THE MATTER OF
RONALD FREYNET**

June 12, 2007 (Winnipeg, Manitoba) – A disciplinary hearing in the Matter of Ronald Freynet was held today before a Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) in Winnipeg, Manitoba. At the hearing, the Hearing Panel reviewed an Agreed Statement of Facts entered into by Mr. Freynet with staff of the MFDA, in which Mr. Freynet admitted to the misconduct as alleged in the Notice of Hearing. The Hearing Panel also received joint submissions of the parties with respect to the appropriate penalty.

The Hearing Panel made the following order 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. Freynet to conduct securities-related business in any capacity while in the employ of, or associated with, any MFDA Member, pursuant to s. 24.1.1(e) of MFDA By-law No. 1;
- A fine in the amount of \$10,000, pursuant to s. 24.1.1(b) of MFDA By-law No. 1; and
- Costs in the amount of \$2,500, pursuant to s. 24.2 of MFDA By-law No. 1.

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

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 Members and their approximately 75,000 representatives 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

13.1.4 MFDA Hearing Panel Approves Settlement Agreement with Rodney Jacobson

NEWS RELEASE
For immediate release

**MFDA HEARING PANEL APPROVES
SETTLEMENT AGREEMENT WITH
RODNEY JACOBSON**

June 12, 2007 (Calgary, Alberta) – A Settlement Hearing in the Matter of Rodney Jacobson was held yesterday before a Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”). The Hearing Panel approved the Settlement Agreement between the MFDA and Mr. Jacobson. The following is a summary of the Orders made by the Hearing Panel:

- A permanent prohibition on the authority of Mr. Jacobson to conduct securities related business in any capacity; and
- A fine in the amount of \$15,000.

The Hearing Panel advised that it would issue written reasons in due course.

A copy of the Order and Settlement Agreement are available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 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

13.1.5 MFDA Hearing Panel Issues Decision and Reasons Respecting Lorne Henry Disciplinary Hearing

NEWS RELEASE
For immediate release

**MFDA HEARING PANEL ISSUES
DECISION AND REASONS RESPECTING
LORNE HENRY DISCIPLINARY HEARING**

June 8, 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 May 11, 2007 in respect of Lorne Henry.

A copy of the Decision and Reasons is available on the MFDA website 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 162 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

13.1.6 Michael Bond and Sesto DeLuca

DISCIPLINE NOTICE

**MICHAEL BOND
AND
SESTO DELUCA**

June 4, 2007

Summary

Further to the decision of the RS Hearing Panel dated March 7, 2007, on May 29, 2007, the Hearing Panel ordered that for the contravention of UMIR 2.2(2)(b), Michael Bond pay a fine of \$100,000.00; be suspended from access to all marketplaces regulated by RS for a period of two (2) years beginning June 1, 2007; and pay costs of \$25,000.00 to RS. The Hearing Panel ordered that Sesto DeLuca be reprimanded for contravening UMIR 7.1(4) and Policy 7.1.

Questions / Further Information

For further information or questions concerning this notice contact:

Melissa MacKewn
Acting Chief Enforcement Counsel, Eastern Region
Telephone: 416.646-7229
Fax: 416.646.7285
e-mail: melissa.mackewn@rs.ca

Persons Disciplined

On March 7, 2007, following a contested hearing, a Panel of the Hearing Committee of Market Regulation Services Inc. (“RS”) rendered a decision concerning Michael Bond and Sesto DeLuca. Michael Bond was an inventory trader employed by W.D. Latimer Co. Limited. Sesto DeLuca was the person responsible for supervising trading at W.D. Latimer.

Requirements Contravened

Between April 4, 2005 and July 29, 2005, Michael Bond contravened UMIR 2.2(2)(b) by entering orders to buy shares of three issuers listed on the TSX Venture Exchange (the “TSXV”) when he knew or ought reasonably to have known that the entry of such orders could create or could reasonably be expected to create an artificial bid price for those securities.

Between April 2005 and July 2005, Sesto DeLuca failed to fully and properly supervise Michael Bond as necessary to ensure the compliance of Bond with UMIR and its policies, contrary to UMIR 7.1(4) and Policy 7.1.

Summary of Decision

Between April 4, 2005 and July 29, 2005, Michael Bond breached UMIR 2.2(2)(b) by creating an artificial bid price for the shares of three securities listed on the TSXV

(Tearlach Resources Ltd., Norzan Enterprises Limited, and Gee-Ten Ventures Inc.). The Hearing Panel noted that “orders placed so late in the trading session for thinly traded stocks were unlikely to be filled” and concluded that Michael Bond’s “intention was to create an artificial bid to influence management’s perception and/or to influence the market’s perception in general.”

In imposing a penalty, the Hearing Panel found that “Bond’s conduct in establishing an artificial bid price is very serious and impacts the integrity of the marketplace.”

With respect to Sesto DeLuca’s contravention of UMIR 7.1(4) and Policy 7.1, the Hearing Panel concluded:

Our assessment of the facts as we have found them leads us to conclude, pure and simply, that DeLuca did not review unfilled orders placed by Bond and as such did not fully and properly supervise Bond. [W.D. Latimer’s] business is primarily that of principal trading. While financial adequacy is obviously important, a compliance supervisor, under his gatekeeper obligation as further outlined in Part 10.16 of the UMIR rules, must monitor for deceptive activities that affect the integrity of the marketplace. When trades are entered for other than legitimate purposes, there is an impact on the integrity of the market. When supervision is not taking place, there is opportunity, as in this case, to allow artificial bid pricing to occur.

The Hearing Panel did not accept that a fine or prohibition against acting as a trading supervisor was a proper or appropriate sanction for the following reasons: 1) DeLuca was not guilty of any dishonest actions; 2) he cooperated with RS in all respects; 3) he has no previous discipline issues or complaints about contraventions; and 4) he made an effort to supervise the activities of his staff.

The Hearing Panel commented that “it is undoubtedly clear that DeLuca has many serious supervisory functions for which he is responsible and respectfully suggest that the firm review its needs and obligations in these areas and provide additional resources, if necessary.”

The full text of the Hearing Panel’s decision of March 7, 2007 and the penalty decision of May 29, 2007 can be found at www.rs.ca.

Sanctions Assessed

Michael Bond

The Hearing Panel imposed the following sanctions on Michael Bond:

1. a fine of \$100,000.00;
2. a suspension of access from all marketplaces regulated by RS for a period of two (2) years beginning June 1, 2007; and

3. costs of \$25,000.00 to RS.

Sesto DeLuca

The Hearing Panel ordered that Sesto DeLuca be reprimanded for his conduct.

Further Information

Questions should be directed to Maureen Jensen, Vice President, Market Regulation, Eastern Region, Market Regulation Services Inc. at 416-646-7216.

About Market Regulation Services Inc.

Market Regulation Services Inc. (“RS”) is the regulation services provider for Canadian equity markets including the TSX, TSX Venture Exchange, Canadian Trading and Quotation System, Bloomberg Tradebook Canada Company, Liquidnet Canada Inc. and Markets Securities Inc., RS is recognized by the *Autorité des marchés financiers* in Québec and the securities commissions of Ontario, Manitoba, Alberta and British Columbia to regulate the trading of securities on these marketplaces by participant firms and their trading and sales staff. RS is mandated to conduct its regulatory activities in a neutral, cost-effective, service-oriented and responsive manner.

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 Augen Limited Partnership 2007

Headnote

Exemption from the requirement to attach a copy of the limited partnership agreement to both the preliminary and final prospectus – Inclusion of the limited partnership agreement in the prospectus of the fund will not provide any additional disclosure to investors that would not already be publicly available on SEDAR – section 15.1 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements and item 27.2 of Form 41-501F1 – Information Required in a Prospectus.

Applicable Legislative Provisions

Ontario Securities Commission Rule 41-501 General Prospectus Requirements, s. 15.1.
Form 41-501F1 Information Required in a Prospectus, item 27.2.

February 22, 2007

Stikeman Elliott LLP

Attention: Robert Galea

Dear Sirs/Mesdames:

**Re: Augen Limited Partnership 2007 (the "Partnership")
Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements ("Rule 41-501")
Application No. 2007/0141, SEDAR Project No. 1047351**

By letter dated February 1, 2007 (the "Application"), the Partnership applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and
2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:
 - a. inspection during normal business hours at the Partnership's principal place of business;
 - b. from SEDAR;
 - c. upon written request to the General Partner; and
 - d. from the website of Augen Capital Corp.

Yours very truly,

"Leslie Byberg"
Manager, Investment Funds

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