The Ontario Securities Commission

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July 6, 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)

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 6, 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
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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

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
September 6, 2007 10:00 a.m.	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/DLK
September 10, 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: WSW/HPH/CSP * Settlement Agreements approved February 26, 2007
September 28, 2007 10:00 a.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

September 28, 2007 10:00 a.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
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
October 12, 2007 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
October 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
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
November 12, 2007 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: TBA
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
April 2, 2008 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA
TBA	**Euston Capital Corporation and George Schwartz** s. 127 Y. Chisholm in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA

TBA ***Philip Services Corp. and Robert Waxman**

s. 127

K. Manarin/M. Adams in attendance for Staff

Panel: TBA

Colin Soule settled November 25, 2005

Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft settled March 3, 2006

* Notice of Withdrawal issued April 26, 2007

TBA **First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman**

s. 127

D. Ferris in attendance for Staff

Panel: WSW/ST/MCH

TBA **Frank Dunn, Douglas Beatty, Michael Gollogly**

s.127

K. Daniels in attendance for Staff

Panel: TBA

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

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

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

s. 127 and 127.1

S. Horgan in attendance for Staff

Panel: RLS/DLK/MCH

TBA **Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison* and Malcolm Rogers***

s. 127 and 127.1

P. Foy in attendance for Staff

Panel: WSW/CSP

* Settled April 4, 2006

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

s. 127

H. Craig in attendance for Staff

Panel: PJL/ST

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 CSA Staff Notice 24-304 – CSA-Industry Working Group on NI 24-101 – *Institutional Trade Matching and Settlement*

CANADIAN SECURITIES ADMINISTRATORS'
STAFF NOTICE 24-304

CSA-Industry Working Group on National Instrument 24-101 –
Institutional Trade Matching and Settlement

A CSA-Industry working group (Working Group) consisting of industry representatives and staff of the Canadian Securities Administrators (CSA) has recently been established to act as an advisory group for the CSA in identifying and resolving issues in relation to National Instrument 24-101 – *Institutional Trade Matching and Settlement* (NI 24-101). The Working Group will meet periodically to discuss the issues.

Members of the Working Group
The Working Group includes representatives of the industry's sell-side, buy-side and custodian sectors and representatives of the Canadian Capital Markets Association (CCMA), Investment Industry Association of Canada (IIAC), Investment Dealers Association of Canada (IDA) and CDS Clearing and Depository Services Inc. (CDS).

The following is a list of the Working Group members:

Name and Firm	Email address	Sector or Industry Group Representation
Barbara Amsden (IIAC)	bamsden@iiac.ca	IIAC
Jerry Beniuk (TDBFG)	Jerry.Beniuk@td.com	Buy side/Sell side/Custodian
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Heidi Johnston (Phillips Hager North)	hjohnston@phn.com	Buy side
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Glenn MacPherson (CCMA)	GMacPherson@cds.ca	CCMA
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Emily Sutlic	esutlic@osc.gov.on.ca	OSC

You are invited to raise issues or questions you may have regarding NI 24-101 with any member of the Working Group.

CSA staff propose to publish later this year a notice that will answer a number of key questions on NI 24-101.
Please refer questions about CSA Staff Notice 24-304 to:

Maxime Paré
Senior Legal Counsel, Market Regulation
Ontario Securities Commission
(416) 593-3650
mpare@osc.gov.on.ca

Emily Sutlic
Legal Counsel, Market Regulation
Ontario Securities Commission
(416) 593-2362
esutlic@osc.gov.on.ca

July 6, 2007

1.1.3 OSC Staff Notice 11-739 (Revised) - Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of June 29, 2007 has been posted to the OSC Website at www.osc.gov.on.ca under Policy and Regulation/Status Summaries.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status

New Instruments

11-739	Policy Reformulation Table of Concordance and List of New Instruments (Revised)	***Published April 13, 2007***
11-753	OSC Notice 11-753 (Revised) - Statement of Priorities for the Financial Year to End March 31, 2008	***Published June 29, 2007***
11-760	Report on Mutual Fund Sales Practices under Part 5 of NI 81-105 Mutual Fund Sales Practices	***Published April 27, 2007***
13-315	Securities Regulatory Closed Dates (Revised)	***Published June 15, 2007***
21-101	Marketplace Operation (Amendment)	***Published for comment April 20, 2007***
23-101	Trading Rules (Amendment)	***Published for comment April 20, 2007***
24-101	Institutional Trade-Matching and Settlement	***Came into force April 1, 2007. (Sections 3.2 and 3.4 , Part 4 and Part 6 come into force on October 1, 2007)***
31-102	National Registration Database (Amendments)	***Came into force on May 15, 2007***
31-502	Proficiency Requirements for Registrants (Amendments)	***Came into force on May 21, 2007***
33-109	Registration Information (Amendments)	***Came into force on May 15, 2007***
51-311	Frequently Asked Questions Regarding National Instrument 51-102 Continuous Disclosure Obligations (Revised)	***Published May 4, 2007***
52-318	Audit Committee Follow-up Compliance Review	***Published June 29, 2007***
57-602	Proposed Rescission of OSC Policy 57-602 Cease Trading Orders - Applications for Partial Revocation to Permit a Securityholder to Establish a Tax Loss	***Proposal to rescind published for comment on May 11, 2007***
58-303	Corporate Governance Disclosure Compliance Review	***Published June 29, 2007***
62-504	Take Over Bids and Issuer Bids	***Published for comment April 6, 2007***
81-106	NI 81-106 Investment Fund Continuous Disclosure, (Amendment) and Related Amendments	***Published for comment June 1, 2007***
81-406	Point of Sale Disclosure for Mutual Funds and Segregated Funds	***Published for comment June 15, 2007***

For further information, contact:

Darlene Watson
Project Coordinator
Ontario Securities Commission
416-593-8148

July 6, 2007

1.4 Notices from the Office of the Secretary

1.4.1 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
June 29, 2007

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

AND

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

TORONTO – Following a hearing held today, the Commission issued an Order continuing the Temporary Order of May 17, 2007, until August 7, 2007, or until further order of the Commission, against LBC, Midland, Dolan and Lorenti.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 MRF 2007 Resource Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptions granted to flow-through limited partnership from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form, to maintain and prepare an annual proxy voting record, to post the proxy voting record on its website, and to provide it to securityholders upon request. Flow-through limited partnership has a short lifespan and does not have a readily available secondary market.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 10.3, 10.4, 17.1.

June 28, 2007

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

AND

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

AND

IN THE MATTER OF
MRF 2007 RESOURCE LIMITED PARTNERSHIP
(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 Jurisdiction (the **Legislation**) for an exemption from:

(i) the requirement in section 9.2 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) to prepare and file an annual information form (the **AIF**)

(ii) the requirement in section 10.3 of NI 81-106 to maintain a proxy voting record (**Proxy Voting Record**), and

(iii) the requirements in section 10.4 of NI 81-106 to prepare a Proxy Voting Record on an annual basis for the period ending June 30 of each year, to post the Proxy Voting Record on the Filer's website no later than August 31 of each year, and to send the Proxy Voting Record to the limited partners of the Filer (the **Limited Partners**) upon request.

((i), (ii) and (iii) are collectively, the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. The principal office of the Filer is located at 1 First Canadian Place, 58th Floor, P.O. Box 192, Toronto, Ontario, M5X 1A6.

2. The Filer was formed to invest in certain common shares (**Flow-Through Shares**) of companies involved primarily in oil and gas, mining or renewable energy exploration and development (**Resource Companies**) pursuant to agreements (**Resource Agreements**) between the Filer and the relevant Resource Company. Under the terms of each Resource Agreement, the Filer will subscribe for Flow-Through Shares of the Resource Company and the Resource Company will agree to incur and renounce to the Filer, in amounts equal to the subscription price of the

Flow-Through Shares, expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to the Filer.

3. The Filer is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) (the **Act**) on November 15, 2006. On January 30, 2007, the Filer became a reporting issuer in each of the Jurisdictions and in Prince Edward Island and received a receipt dated January 30, 2007 issued under MRRS with respect to a final prospectus (the **Prospectus**) dated January 29, 2007, offering for sale up to 8,000,000 limited partnership units of the Filer at a price of $25 per unit. On or about June 18, 2009, the Filer will be dissolved and the Limited Partners of the Filer will receive their pro rata share of the net assets of the Filer.

4. It is the current intention of the general partner of the Filer that the Filer enter into an agreement with Middlefield Mutual Funds Limited (the **Mutual Fund**), an open-ended mutual fund, whereby assets of the Filer would be exchanged for redeemable shares of the Growth Class of the Mutual Fund (the **Mutual Fund Rollover Transaction**). Upon dissolution of the Filer, the Limited Partners of the Filer would then receive their pro rata share of the shares of the Growth Class of the Mutual Fund.

5. The Filer is a short-term special purpose vehicle which is dissolved within approximately 2 years of its formation. The primary investment purpose of the Filer is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the significant tax benefits that accrue when Resource Companies renounce resource exploration and development expenditures to the Filer through the Flow-Through Shares.

6. Since its formation on January 30, 2007, the Filer's activities have been limited to (i) completing the issue of the Units under the Prospectus, (ii) investing its available funds in Flow-Through Shares of Resource Issuers and (iii) incurring expenses as described in the Prospectus.

7. The limited partnership units of the Filer (the **Units**) are not and will not be listed or quoted for trading on any stock exchange or market. The Units are not redeemable by the Limited Partners. Generally, Units are not transferred by Limited Partners since Limited Partners must be holders of the Units on the last day of each fiscal year of the Filer in order to obtain the desired tax deduction.

8. Given the limited range of business activities to be conducted by the Filer, the short duration of its existence and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by the Filer will not be of any benefit to the Limited Partners and may impose a material financial burden on the Filer. The Prospectus, the financial statements and management report of fund performance provide sufficient information necessary for a Limited Partner to understand the Filer's business, its financial position and its future plans, including the Mutual Fund Rollover Transaction. Upon the occurrence of any material change to the Filer, Limited Partners would receive all relevant information from the material change reports the Filer is required to file with the Decision Makers.

9. As a result of the implementation of NI 81-106, investors purchasing Units of the Filer were provided with a prospectus containing written policies on how the Flow-Through Shares or other securities held by the Filer are voted (the **Proxy Voting Policies**), and had the opportunity to review the Proxy Voting Policies before deciding whether to invest in Units.

10. The Proxy Voting Policies require that the Filer exercise its voting rights in respect of securities of an issuer if more than 4% of the Filer's net assets are invested in that issuer. The Filer does not intend to exercise its voting rights where less than 4% of its net assets are invested in an issuer, but may, in its sole discretion, decide to vote in such circumstances.

11. Pursuant to its Proxy Voting Policies and because the Filer invests in a number of issuers which generally do not represent more than 4% of the Filer's net assets, the Filer is not usually required to exercise its voting rights.

12. Given the short lifespan of the Filer, the production of a Proxy Voting Record would provide Limited Partners very little opportunity for recourse if they disagreed with the manner in which the Filer exercised or failed to exercise its proxy voting rights, as the Filer would likely be dissolved by the time any potential change could materialize.

13. Preparing and making available to Limited Partners a Proxy Voting Record will not be of any benefit to Limited Partners and may impose a material financial burden on the Filer.

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-106 that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under NI 81-106 is that the Requested Relief is granted.

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

2.1.2 Gluskin Sheff + Associates Inc. and The GS+A RRSP Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from self-dealing prohibition in the legislation in connection with a one-time trade required to effect a merger between a mutual fund governed by NI 81-102 and a pooled fund under common management - paragraph 118(2)(b) of the Securities Act (Ontario).

Ontario only relief from dealer registration and prospectus requirements in sections 25 and 53 of the Act to allow unitholders of the public mutual fund who are not accredited investors to be invested in the related pooled fund further to the merger - The non-accredited investors are allowed to remain invested in the pooled fund for a period of no more than three months during which the portfolio manager will transition the non-accredited investors to alternative investments - Non-accredited investors who are able to make additional purchases in the pooled fund before the expiry of the three month period, such that their total holdings in the pooled fund amount to $150,000, are allowed to remain invested in the pooled fund after the expiry of the three month transition period and make subsequent trades in the pooled fund on an exempt basis - subsection 74(1) of the Securities Act (Ontario).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1), 118(2)(b), 121(2)(a)(ii).

June 28, 2007

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

AND

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

AND

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

AND

IN THE MATTER OF
GLUSKIN SHEFF + ASSOCIATES INC.
(the "Filer")

AND

THE GS+A RRSP FUND
(the "Fund")

MRRS DECISION DOCUMENT

Background

The Ontario Securities Commission (the "**Commission**") and the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions have received an application from the Filer for:

(i) a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that, for the purpose of the proposed merger (the "**Merger**") of the Fund with The GS+A RRSP Fund (2007) (the "**New Fund**"), the Filer is exempt from the restriction contained in the legislation of the Jurisdictions (the "**Legislation**") prohibiting a portfolio manager, or in British Columbia, a mutual fund or a responsible person, from knowingly causing an investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, or any associate of a responsible person or the portfolio manager (the "**Self-Dealing Relief**"); and

(ii) a ruling, in Ontario only, pursuant to subsection 74(1) of the Act, that distributions of units of the New Fund pursuant to the Merger to unitholders of the Fund ("**Fund Unitholders**") that are Non-Exempt Purchasers (as that term is defined below), are not subject to the dealer registration and prospectus requirements under sections 25 and 53 of the Act (the "**Dealer Registration and Prospectus 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 Fund is an open-ended unincorporated investment trust that was created under the laws of the Province of Ontario pursuant to a declaration of trust dated June 27, 1997, as the same may be amended, supplemented or restated from time to time. The Fund is a reporting issuer in each of the Jurisdictions. Units of the Fund (the "**Trust Units**") are qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form dated June 26, 2006.

2. The New Fund will be an open-ended unincorporated investment trust established under the laws of the Province of Ontario on or about July 1, 2007. The New Fund will be a pooled fund and therefore will not be a reporting issuer in the Jurisdictions. The New Fund will be identical to the Fund in terms of its investment objectives and strategies and in terms of management fees charged.

3. The Filer is the manager, portfolio manager and trustee of the Fund and will be the manager, portfolio manager and trustee of the New Fund. The Filer is registered with the Commission as an Investment Counsel, Portfolio Manager, Limited Market Dealer and Mutual Fund Dealer. The Filer has equivalent registration in British Columbia, Alberta, Manitoba, Nova Scotia and New Brunswick. The Filer's head office is located at BCE Place, 181 Bay Street, Suite 4600, Toronto, Ontario, Canada.

4. To the knowledge of the Filer, the Fund is not in default of any of its obligations under applicable securities legislation in the Jurisdictions.

5. The Fund is the only mutual fund managed by the Filer that is currently established as a reporting issuer in each of the Jurisdictions. All other funds managed by the Filer are pooled funds offered on a private placement basis.

6. The Filer offers discretionary portfolio management services to individuals, corporations and other entities seeking wealth management or related services through a managed account. Consequently, all investors currently invested in the Fund hold Trust Units through managed accounts fully managed by the Filer.

7. In light of the Fund's size, the types of investors currently invested in the Fund, and the escalating costs of operating the Fund as a reporting issuer, management of the Filer believes that the operation of the Fund as a pooled fund is the preferable means by which the Fund should be operated on an ongoing basis. This would provide operational consistency with all other funds managed by the Filer.

8. The Filer, in its capacity as trustee and manager of the Fund, has considered alternatives for the Fund, and intends to seek the approval of Fund Unitholders to reorganize the Fund by way of Merger with the New Fund.

9. Pursuant to the Merger and subject to certain limitations, all of the assets of the Fund will be

transferred to the New Fund in exchange for units of the New Fund (and an assumption of the Fund's liabilities) and the Trust Units will be redeemed by the Fund. In connection with such redemption, Fund Unitholders will receive units of the New Fund on a tax-deferred "rollover" basis based on the tax cost of the Trust Units on the date the Merger is to be effective.

10. If Fund Unitholders approve the Merger at the special meeting of Fund Unitholders (the "**Special Meeting**") to be held for that purpose on June 29, 2007, and provided all regulatory approvals are received, the effective date of the Merger will be on or about July 1, 2007 (the "**Effective Date**").

11. The Fund's Information Circular in connection with the Special Meeting was filed and mailed to Fund Unitholders on June 7, 2007.

12. The Merger will result in Fund Unitholders becoming holders of units in a non-reporting issuer (the New Fund). Accordingly, all Fund Unitholders who:

    (i) do not qualify as accredited investors and are unable to rely on any other available exemption from compliance with the prospectus and registration requirements under National Instrument 45-106 Prospectus and Registration Exemptions, or

    (ii) do not fit within the list of managed account clients listed in the Ruling and Order of the Commission dated August 5, 2005, pursuant to which the Filer, the Fund and future pooled funds managed by the Filer, were granted relief from the dealer registration and prospectus requirements of the Act to permit the distribution of pooled fund units to such clients on an exempt basis,

    will not be permitted to continue to hold units in the New Fund following the Merger. The Fund Unitholders described in paragraphs (i) and (ii) above are collectively referred to in this decision as "**Non-Exempt Purchasers**".

13. As at May 25, 2007, 152,720,190.069 Trust Units were issued and outstanding with a value of approximately $419 million to 1606 Fund Unitholders in total. Only 58 Fund Unitholders holding units with a value of approximately $2.04 million are Non-Exempt Purchasers. In the absence of the requested Dealer Registration and Prospectus Relief, all 58 Non-Exempt Purchasers would have to be redeemed from the Fund before the Effective Date of the Merger.

14. Non-Exempt Purchasers whose Trust Units are redeemed by the Filer will need to seek alternative investments for the proceeds of such redemption. Additional time will be required following the Merger to provide Non-Exempt Purchasers with adequate time to seek out and consider alternative investments for the proceeds of the redemption.

15. In the absence of the requested Self-Dealing Relief, the Filer would not be able to effect the Merger. This is because the transfer of assets of the Fund to the New Fund in exchange for units of the New Fund would be considered to be a sale to the account of an "associate" of a responsible person (the Filer). The New Fund would be considered an "associate" by virtue of the Filer being the portfolio manager and trustee of both the Fund and the New Fund.

Decision

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

The Commission is satisfied that the relevant test contained in subsection 74(1) of the Act has been met.

The decision of the Decision Makers under the Legislation is that the requested Self-Dealing Relief is granted in connection with the Merger.

The decision of the Commission is that the requested Dealer Registration and Prospectus Relief is granted in connection with distributions of units of the New Fund to Non-Exempt Purchasers pursuant to the Merger provided that:

(a) units of the New Fund are held by Non-Exempt Purchasers for a period of no longer than three months after the Effective Date, being October 1, 2007, by which date all units of the New Fund held by Non-Exempt Purchasers shall be redeemed;

(b) condition (a) above does not apply in respect of Non-Exempt Purchasers who, by no later than October 1, 2007, top up their holdings in the New Fund to a total of $150,000, in which case they may continue to hold units of the New Fund beyond October 1, 2007, as well as make subsequent purchases of units of the New Fund on a basis that is exempt from the dealer registration and prospectus requirements in sections 25 and 53 of the Act.

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.1.3 The GS+A RRSP Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement in National Instrument 81-107 – Independent Review Committee for Investment Funds to appoint an IRC and to do so my May 1, 2007 – The fund will be merging with a new pooled fund under common management and dissolving no later than August 1, 2007 – Relief is conditioned on the fund dissolving by no later than August 1, 2007.

Applicable Ontario Statutory Provisions

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 3.2, 7.1, 8.2(2).

June 28, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, MANITOBA,
ONTARIO, NEW BRUNSWICK, NOVA SCOTIA
AND NORTHWEST TERRITORIES
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
THE GS+A RRSP FUND
(the "Fund")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application dated April 20, 2007, from Gluskin Sheff + Associates Inc. (the "**Filer**") on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for an exemption from the requirements in section 3.2 and subsection 8.2(2) of National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**") for the manager of the Fund to appoint each member of the Fund's first independent review committee by May 1, 2007 (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

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

1. The Filer is the manager, portfolio manager and trustee of the Fund. The Filer's head office is located at BCE Place, 181 Bay Street, Suite 4600, Toronto, Ontario, Canada.

2. The Fund is an open-ended unincorporated investment trust that was created under the laws of the Province of Ontario pursuant to a declaration of trust dated June 27, 1997, as the same may be amended, supplemented or restated from time to time. The Fund is a reporting issuer in each of the Jurisdictions. Units of the Fund (the "**Trust Units**") are qualified for distribution in each of the Jurisdictions under a simplified prospectus and annual information form dated June 26, 2006.

3. To the knowledge of the Filer, the Fund is not in default of any of its obligations under applicable securities legislation in the Jurisdictions.

4. Effective May 1, 2007, all investment funds in Canada that are reporting issuers and are subject to the continuous disclosure requirements of applicable Canadian securities laws are required under NI 81-107 to establish an independent review committee ("**IRC**") to oversee conflict of interest matters that arise with respect to an investment fund.

5. Pursuant to section 3.2 of NI 81-107, the Filer must appoint the first members of the IRC. Pursuant to subsection 8.2(2) of NI 81-107, the Filer must appoint the first members of the IRC by May 1, 2007.

6. The Fund is the only mutual fund managed by the Filer that is currently established as a reporting issuer and therefore subject to compliance with IRC requirements under NI 81-107. All other funds managed by the Filer are pooled funds offered on a private placement basis.

7. The Filer offers discretionary portfolio management services to individuals, corporations and other entities seeking wealth management or related services through a managed account. Consequently, all investors currently invested in the Fund hold Trust Units through managed accounts fully managed by the Filer.

8. As at May 25, 2007, 152,720,190.069 Trust Units were issued and outstanding with a value of approximately $419 million to 1606 Fund Unitholders in total.

9. In light of the Fund's size, the types of investors currently invested in the Fund, and the escalating costs of operating the Fund as a reporting issuer, management of the Filer believes that the operation of the Fund as a pooled fund is the preferable means by which the Fund should be operated on an ongoing basis. This would provide operational consistency with all other funds managed by the Filer.

10. The Filer, in its capacity as trustee and manager of the Fund, has considered alternatives for the Fund, and intends to seek the approval of unitholders of the Fund ("**Fund Unitholders**") to reorganize the Fund by way of merger (the "**Merger**") with The GS+A RRSP Fund (2007) (the "**New Fund**"). The Filer will be the manager, portfolio manager and trustee of the New Fund.

11. The New Fund will be an open-ended unincorporated investment trust established under the laws of the Province of Ontario on or about July 1, 2007. The New Fund will be a pooled fund and therefore will not be a reporting issuer in the Jurisdictions. The New Fund will be identical to the Fund in terms of its investment objectives and strategies and in terms of the management fees charged. The Filer intends to change the name of the New Fund to The GS+A RRSP Fund immediately following completion of the Merger.

12. If Fund Unitholders approve the Merger at the special meeting of Fund Unitholders (the "**Special Meeting**") to be held for that purpose on June 29, 2007, and provided all regulatory approvals are received, the effective date of the Merger will be on or about July 1, 2007, but no later than August 1, 2007.

13. The Fund's Information Circular in connection with the Special Meeting was filed and mailed to Fund Unitholders on June 7, 2007.

14. Given the Filer's intention to dissolve the Fund following the Merger, the potential for conflicts of interest in respect of the Fund during the period from May 1, 2007 to August 1, 2007 is limited. Accordingly, the time and expense required to establish and maintain an IRC for that period would exceed the benefits to Fund Unitholders of having an IRC for that period.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Fund dissolves on or about July 1, 2007, but in any event, not later than August 1, 2007.

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.4 Keystone North America Inc. and Keystone Newport ULC - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – filer has outstanding income participating securities consisting of one common share and a specified amount of subordinated notes pursuant to which a majority of the filer's earnings are distributed to its securityholders, resulting in an anomalous result of the income test – filer also provided additional evidence that the acquisition in question is insignificant based on a number of other financial and non-financial measures – filer granted relief to use an adjusted income from continuing operations test (calculated by excluding the interest expense on the subordinated note component of the income participating securities) 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 the acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

June 29, 2007

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

AND

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

AND

IN THE MATTER OF
KEYSTONE NORTH AMERICA INC. AND KEYSTONE NEWPORT ULC

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority (the **Decision Maker**) in each of the Jurisdictions has received an application from Keystone North America Inc. and Keystone Newport ULC (together, the Applicants) for a decision pursuant to the securities legislation in the Jurisdictions (the **Legislation**) granting relief to use an Adjusted Income From Continuing Operations test (as defined below) rather than the income test for the purposes of its continuous disclosure obligations under the Legislation in respect of the acquisition of eleven funeral homes and four cemetery businesses from Service Corporation International, Inc. (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 Applicants:

1. Keystone North America Inc. (Keystone) is a corporation formed under the laws of the Province of Ontario with its head office located at Suite 2400, 250 Yonge Street, Toronto, Ontario, M5B 2M6.

2. Keystone Newport ULC is an unlimited liability company organized under the laws of Nova Scotia with its head office located at Suite 2400, 250 Yonge Street, Toronto, Ontario, M5B 2M6.

3. The Applicants are reporting issuers or the equivalent in each of the Jurisdictions.

4. The units of Keystone are listed and posted for trading on the Toronto Stock Exchange under the symbol "KNA.UN".

5. On April 9, 2007, a subsidiary of Keystone completed the acquisition of eleven funeral homes and four cemetery businesses from Service Corporation International, Inc. (the **Acquisition**).

6. Prior to the Acquisition, Keystone owned, indirectly, 171 funeral homes and 10 cemeteries.

7. The application of the income test using the income from continuing operations of the Applicants leads to anomalous results in that the significance of the acquired businesses is exaggerated out of proportion to their significance on an objective basis and in comparison to the results of the asset and investment tests.

8. The use of a test (the **Adjusted Income From Continuing Operations test**) based on income from continuing operations (calculated by excluding the interest expense on the subordinated note component of Keystone's income participating securities), rather than using

income from continuing operations, provides a more realistic indication of the significance of the Acquisition and its results are generally consistent with the asset and investment tests. The Adjusted Income From Continuing Operations test also closely reflects the intent of the income test.

9. The Applicants have provided the Decision Makers with additional financial and non-financial measures further demonstrating the insignificance of the Acquisition to the Applicants.

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

2.1.5 Tyco International Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from prospectus and registration requirements for spin-off by publicly traded Bermuda company to investors by issuing shares of spun off entity as dividend in kind and for issuances of options and shares on the exercise of options to existing option holders – Reorganization technically not covered by prescribed reorganization exemptions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

June 29, 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
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
TYCO INTERNATIONAL LTD. (Tyco)

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 Tyco requesting a decision under the securities legislation of the Jurisdictions (the Legislation) for:

   1.1. An exemption from the prospectus and dealer registration requirements of the Legislation (respectively, the Prospectus Requirements and the Registration Requirements) in respect of the proposed distribution of common shares (the Tyco Electronics Shares) of Tyco Electronics Ltd. (Tyco Electronics) to holders of common shares of Tyco resident in Canada (Tyco Canadian Shareholders) by way of a pro rata dividend in kind;

   1.2. An exemption from the Prospectus Requirements and the Registration

Requirements in respect of the proposed distribution of common shares (the Covidien Shares) of Covidien Ltd. (Covidien) to Tyco Canadian Shareholders by way of a pro rata dividend in kind (collectively, the distribution by dividend of the Tyco Electronics Shares and the Covidien Shares is referred to as the Spin-Off);

1.3. An exemption from the Prospectus Requirements and Registration Requirements in respect of the distribution by Tyco, Tyco Electronics or Covidien of options (the Options):

1.3.1. to acquire common shares of Tyco (Tyco Shares), Tyco Electronics Shares and Covidien Shares, to existing employees resident in Canada of the corporate division of Tyco in exchange for Options to purchase Tyco Shares;

1.3.2. to acquire Tyco Shares to existing employees resident in Canada of the fire and safety division or of the engineered products and services division of Tyco or of its affiliates, in exchange for Options to purchase Tyco Shares;

1.3.3. to acquire Tyco Electronics Shares to existing employees resident in Canada of the electronics division of Tyco or of its affiliates, in exchange for Options to purchase Tyco Shares;

1.3.4. to acquire Covidien Shares, to existing employees resident in Canada of the healthcare division of Tyco or of its affiliates, in exchange for Options to purchase Tyco Shares (collectively, holders of Options to purchase Tyco Shares resident in Canada and employed by any of the divisions of Tyco or of its affiliates are referred to as Canadian Optionholders); and

1.4. An exemption from the Prospectus Requirements and Registration Requirements in respect of the distribution by Tyco, Tyco Electronics or Covidien of restricted stock, restricted stock units, restricted units or deferred stock units of Tyco, Tyco Electronics and Covidien (collectively the Incentive Securities), to existing holders resident in Canada (the Canadian Incentive Securityholders) of and in exchange for restricted stock, restricted stock units, restricted units or deferred stock units of Tyco;

(collectively, the Requested Relief).

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

2.1. The Ontario Securities Commission is the Principal Regulator for this application; and

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

Interpretation

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

Representations

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

4.1. Tyco is a corporation constituted pursuant to the laws of Bermuda with its headquarters in Pembroke, Bermuda. It is a diversified company that provides products and services to customers in four principal business segments: electronics, fire and security, healthcare and engineered products and services.

4.2. Tyco Electronics and Covidien, each currently a wholly-owned subsidiary of Tyco, will, upon completion of the Spin-Off, cease to be subsidiaries and are intended to be separate, publicly-traded companies which will operate Tyco's existing electronics business and health-care business, respectively. Following completion of the Spin-Off, Tyco will operate the fire and security and engineered products and services businesses.

4.3. Tyco is a reporting issuer under the Legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia.

4.4. The Tyco Shares are listed on the New York Stock Exchange (the NYSE) and the Bermuda Stock Exchange (the BSX). The Tyco Shares are not listed on any Canadian stock exchange and Tyco has no intention of listing its securities on any Canadian stock exchange.

4.5. As of March 1, 2007, Tyco had approximately 958 registered Tyco Canadian Shareholders. There are registered and beneficial Tyco Inter-

national Canadian Shareholders resident in each province of Canada. The Tyco Canadian Shareholders constituted less than 1.9% of the approximately 50,517 holders of record of Tyco Shares worldwide on March 1, 2007. As of March, 2007, Tyco Canadian Shareholders collectively held approximately 125,421 Tyco Shares, constituting less than 0.006% of the approximately 1,900,000,000 issued and outstanding Tyco Shares.

4.6. As of December 31, 2006, there were approximately 450 Canadian Optionholders. The Canadian Optionholders constituted approximately 3.4% of the approximately 13,233 worldwide holders of Options to acquire Tyco Shares on December 31, 2006. As of that date, Canadian Optionholders collectively held Options to acquire approximately 2,029,649 Tyco Shares (Tyco Options), constituting approximately 1.6% of the approximately 126,853,063 outstanding Options to purchase Tyco Shares.

4.7. As of December 31, 2006, there were approximately 252 Canadian Incentive Securityholders. The Canadian Incentive Securityholders constituted less than 3% of the approximately 8,535 total number of holders of Incentive Securities as at December 31, 2006. As of that date, Canadian Incentive Securityholders held approximately 239,772 Incentive Securities or approximately 1.5% of the approximately 15,984,800 Incentive Securities outstanding.

4.8. Subject to obtaining necessary approvals, including that of the United States Securities and Exchange Commission (the SEC) in respect of registration statements filed with the SEC, on a distribution date to be fixed by Tyco Board of Directors and expected to be prior to the end of June 2007, the separation of Tyco Electronics and Covidien from Tyco will be accomplished through the Spin-Off. The Spin-Off will be effected by the following principal steps:

4.8.1. By means of a tax-free stock dividend, each Tyco Shareholder will receive Tyco Electronics Shares and Covidien Shares for each Tyco Share held by such Tyco Shareholder at a rate to be determined by the Board of Directors of Tyco prior to the distribution date for the Spin-Off;

4.8.2. Shareholders of Tyco will not be required to pay any consideration for the Tyco Electronics Shares and the Covidien Shares received in the Spin-Off or to surrender or exchange Tyco Shares in order to receive Tyco Electronics Shares and Covidien Shares or to take any other action in connection with the Spin-Off;

4.8.3. Fractional Tyco Electronics Shares and Covidien Shares will not be issued to Tyco Shareholders as part of the Spin-Off but in lieu thereof, Tyco Shareholders who would otherwise be entitled to receive a fractional Tyco Electronics Share or a fractional Covidien Share will receive a cash payment;

4.8.4. Existing employees of the corporate division of Tyco who hold Options to purchase Tyco Shares will in exchange receive economically equivalent Options to acquire Tyco Shares (post-Spin-Off), Tyco Electronics Shares and Covidien Shares;

4.8.5. Existing employees of the fire and safety division or the engineered products and services division of Tyco or its affiliates who hold Options to purchase Tyco Shares will receive in exchange economically equivalent Options to acquire Tyco Shares (post-Spin-Off);

4.8.6. Existing employees of the healthcare division of Tyco or its affiliates who hold Options to purchase Tyco Shares will receive in exchange economically equivalent Options to purchase Covidien Shares;

4.8.7. Existing employees of the electronics division of Tyco or its affiliates who hold Options to purchase Tyco Shares will receive in exchange economically equivalent Options to purchase Tyco Electronics Shares;

4.8.8. Existing employees of Tyco who hold restricted stock, restricted stock units, restricted units or deferred stock units of Tyco will receive in exchange, economically equivalent Incentive Securities of each of Tyco (post-Spin-Off), Tyco Electronics and Covidien; and

4.8.9. Holders of Options and Incentive Securities will not pay any additional consideration for the Options and Incentive Securities of Tyco (post-Spin-Off), Tyco Electronics or Covidien.

4.9. The Board of Directors of Tyco believes that the Spin-Off will enhance the success of Tyco, Tyco Electronics and Covidien, and thereby maximize stockholder value in both the short and over the longer term for each company. The Spin-Off will allow Tyco to concentrate on enhancing its position as a leading company in the provision of products and services in the fire and security and the engineered products and services markets and the Spin-Off will allow Tyco Electronics and Covidien to focus their attention and resources on their respective core businesses.

4.10. After the Spin-Off, Tyco Shares will continue to be listed and traded on the NYSE and the BSX. It is expected that the Tyco Electronics Shares and Covidien Shares will be listed and traded on the NYSE and the BSX.

4.11. It is not intended that Tyco Electronics or Covidien will list any of their securities on any stock exchange in Canada. It is not intended that Tyco Electronics or Covidien will become a reporting issuer in any Jurisdiction.

4.12. The Spin-Off will be effected in compliance with the laws of Bermuda. Because the Spin-Off of Tyco Electronics Shares and Covidien Shares will be by way of dividend to the Tyco Shareholders, no shareholder approval of the proposed transaction is required under the laws of Bermuda.

4.13. On January 18, 2007, each of Tyco, Tyco Electronics and Covidien filed a Form 10 registration statement with the SEC (each a Form 10) detailing the planned Spin-Off.

4.14. After the SEC has completed its review, Tyco Shareholders will receive a copy of the information statement (the Information Statement) included in each Form 10. All materials relating to the Spin-Off and the dividend sent by or on behalf of Tyco, Tyco Electronics or Covidien in the United States (including the Information Statement) will be sent concurrently to the Tyco Canadian Shareholders.

4.15. Following completion of the Spin-Off, each of Tyco Electronics, Covidien and Tyco, respectively, will send, concurrently to their respective shareholders resident in Canada, the same disclosure materials that it sends to holders of Tyco Electronics Shares, Covidien Shares and Tyco Shares resident in the United States.

4.16. The Tyco Canadian Shareholders who receive Tyco Electronics Shares and Covidien Shares as a dividend pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received on connection with the Spin-Off that are available under the laws of the United States to shareholders of Tyco resident in the United States.

4.17. The issuance of Tyco Shares, Tyco Electronics Shares and Covidien Shares on the exercise, conversion or exchange of the Options and Incentive Securities by the holders thereof will be made in accordance with all applicable laws of the United States. Because there will be no active trading market for the Tyco Shares, the Tyco Electronics Shares and the Covidien Shares in Canada and none is expected to develop, it is expected that any resale of the Tyco Shares, Tyco Electronics Shares and the Covidien Shares issued on exercise, conversion or exchange of the Options and Incentive Securities by the Canadian Optionholders and Canadian Incentive Securityholders or distributed in the Spin-Off, will occur through the facilities of the NYSE and the BSX. Tyco expects that Tyco Electronics Shares and Covidien Shares underlying the Options, restricted stock, restricted stock units, restricted units and deferred stock units of Tyco Electronics and Covidien will be qualified for public distribution in the United States.

Decision

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

6. The decision of the Decision Makers under the Legislation is that:

   6.1. the Requested Relief is granted; and

   6.2. the first trade in a Jurisdiction of Tyco Shares, Tyco Electronics Shares or Covidien Shares acquired in the Spin-Off or on the exercise, conversion or exchange of the Options or Incentive Securities will be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in section 2.6 or section 2.14 of National Instrument 45-102 – Resale of Securities are satisfied.

"Kevin J. Kelly"

"James E.A. Turner"

2.1.6 Bowater Incorporated et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from requirement to include certain information in a joint information circular in connection with a plan of arrangement for a cross-border transaction.

Applicable Statutory Provisions

National Instrument 51-102 - Continuous Disclosure Obligations.

Translation

June 8, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC ACTING AS PRINCIPAL REGULATOR
UNDER MI 11-101 AND ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
BOWATER INCORPORATED (Bowater),
BOWATER CANADA INC. (Bowater Canada),
ABITIBI-CONSOLIDATED INC. (Abitibi) and
ABITIBIBOWATER INC. (AbitibiBowater)
(collectively, the Filers)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that they be exempt from the following requirements in connection with the joint proxy statement/ prospectus/management information circular (the Circular) prepared in connection with the proposed combination of Bowater and Abitibi pursuant to a combination agreement and agreement and plan of merger dated January 29, 2007, as amended on May 7, 2007 (the Combination Agreement) among Abitibi, Bowater, AbitibiBowater, Alpha-Bravo Merger Sub Inc. (Merger Sub) and Bowater Canada (the Proposed Transaction):

(a) the requirement to include in the Circular the information relating to Bowater Canada that is required to be included in a prospectus; and

(b) the requirement to include in the Circular a compilation report that would otherwise be required to accompany the unaudited *pro forma* Financial Statements of AbitibiBowater assuming and giving effect to the Proposed Transaction (the Pro forma Financial Statements);

(collectively, the Requested Relief).

Application of Principal Regulator System

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

(a) the *Autorité des marchés financiers* (the AMF) is the principal regulator for the Filers;

(b) the Filers are relying on the exemption in Part 3 of MI 11-101 in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the Provinces) with regard to Bowater Canada and in the Provinces, Yukon, the Northwest Territories and Nunavut with regard to Abitibi; and

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

Interpretation

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

Representations

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

The Proposed Transaction

1. The Proposed Transaction would, subject to the receipt of all applicable shareholder, regulatory and court approvals, and the satisfaction or waiver of all closing conditions set forth in the Combination Agreement, effect a combination of Bowater with Abitibi by way of a plan of arrangement (the Arrangement) under section 192 of the *Canada Business Corporations Act* (the CBCA) with regard to Abitibi, and by way of the merger of Merger Sub with and into Bowater (the Merger) under Delaware law with regard to Bowater. Upon consummation of the Proposed Transaction, AbitibiBowater will emerge as a new corporation whose equity securities will be listed and traded on both the New York Stock Exchange (the NYSE) and the Toronto Stock Exchange (the TSX) and will combine the businesses and operations currently carried on, on a stand-alone basis, by Abitibi and Bowater.

2. Upon the completion of the Proposed Transaction, each of Abitibi and Bowater will become wholly-owned direct or indirect subsidiaries of AbitibiBowater. More specifically, upon completion of the Proposed Transaction: (i) Bowater common stockholders will receive 0.52 of a share of AbitibiBowater common stock (the AbitibiBowater Common Stock) for each share of Bowater common stock (the Bowater Common Stock) they own immediately prior to the Merger; and (ii) Abitibi shareholders will receive 0.06261 of a share of AbitibiBowater Common Stock for each common share of Abitibi (an Abitibi Common Share) they own immediately prior to the Arrangement, other than shares subject to a properly made election to receive non-voting exchangeable shares of Bowater Canada (the Bowater Canada Exchangeable Shares), which will become exchangeable for shares of AbitibiBowater Common Stock, and 0.06261 of a Bowater Canada Exchangeable Share for each Abitibi Common Share subject to a properly made election, or a combination of shares of AbitibiBowater Common Stock and Bowater Canada Exchangeable Shares. The first amendment to the Combination Agreement entered into on May 7, 2007 (the First Amendment) provides for a limit on the number of Bowater Canada Exchangeable Shares that Bowater Canada will issue to eligible Abitibi shareholders.

3. The Proposed Transaction and the Combination Agreement also contemplate that, concurrently with the Arrangement and the Merger, Bowater Canada will amend its articles in connection with, and in order to give effect to, the Proposed Transaction (the Bowater Canada Articles of Amendment). The Bowater Canada Articles of Amendment consist of the following three (3) elements:

(i) Bowater Canada's name will be changed to "AbitibiBowater Canada Inc.";

(ii) each issued and outstanding Bowater Canada Exchangeable Share will be changed into 0.52 of a Bowater Canada Exchangeable Share, which is the same exchange ratio at which the stockholders of Bowater would exchange their shares of Bowater Common Stock for shares of AbitibiBowater Common Stock pursuant to the Merger; and

(iii) the rights, privileges, restrictions and conditions attaching to the Bowater Canada Exchangeable Shares (the Bowater Canada Exchangeable Share Provisions) will be repealed and replaced

with a new set of Bowater Canada Exchangeable Share Provisions. The principal amendments to the Bowater Canada Exchangeable Share Provisions consist of: (A) extending the date prior to which the directors of Bowater Canada may not, unless there are fewer than 500,000 Bowater Canada Exchangeable Shares outstanding or there is a proposed change-in-control transaction with respect to AbitibiBowater, cause the redemption of the Bowater Canada Exchangeable Shares, from June 30, 2008 to June 30, 2018; (B) clarifying that the Bowater Canada Exchangeable Shares will become exchangeable for shares of AbitibiBowater Common Stock, instead of being exchangeable for shares of Bowater Common Stock; and (C) other conforming changes required to give effect to the Proposed Transaction.

4. As a result of the foregoing, immediately following the completion of the Proposed Transaction, it is estimated that Bowater's former stockholders (including holders of Bowater Canada Exchangeable Shares) will hold approximately 52% and Abitibi's former shareholders will hold approximately 48%, of the outstanding equity interests and voting rights of AbitibiBowater Common Stock.

5. The Merger requires the approval of the stockholders of Bowater (including holders of Bowater Canada Exchangeable Shares), the Arrangement requires the approval of the shareholders of Abitibi and the Bowater Canada Articles of Amendment require the approval of the shareholders of Bowater Canada.

6. The holders of Bowater Common Stock and the special voting stock issued by Bowater (the Special Voting Stock) will be asked to approve the Combination Agreement and the Merger at Bowater's annual meeting of stockholders that is currently anticipated to be held on or about July 18, 2007 (the Bowater Meeting). Holders of Bowater Canada Exchangeable Shares will be asked to approve the Combination Agreement and Merger at the Bowater Meeting by instructing a trustee pursuant to a voting and exchange trust agreement how to vote at the Bowater Meeting. The approval of the Combination Agreement and the Merger will require the affirmative vote of a majority of the total voting power of all outstanding shares of Bowater Common Stock and the Special Voting Stock entitled to vote at the Bowater Meeting. The holders of Bowater Common Stock and the trustee holding the Special Voting Stock (acting for the holders of Bowater Canada Exchangeable Shares) will vote together as a single class on all matters.

7. The holders of both Bowater Canada Exchangeable Shares and Bowater Canada Common Shares will be asked to approve a special resolution authorizing the adoption of the Bowater Canada Articles of Amendment (the Bowater Canada Shareholders' Resolution) at the special meeting of the shareholders of Bowater Canada that is currently anticipated to be held on or about July 17, 2007 (the Bowater Canada Meeting). The approval of the Bowater Canada Articles of Amendment will require the affirmative vote of: (i) 66 2/3% of the votes cast at the Bowater Canada Meeting on the Bowater Canada Shareholders' Resolution by holders of the Bowater Canada Common Shares and the Bowater Canada Exchangeable Shares voting together as a single class, present at the Bowater Canada Meeting in person or represented by proxy; and (ii) 66 2/3% of the votes cast at the Bowater Canada Meeting on the Bowater Canada Shareholders' Resolution by holders of the Bowater Canada Exchangeable Shares voting as a separate class, present at the Bowater Canada Meeting in person or represented by proxy.

8. The holders of Abitibi Common Shares will be asked to approve a special resolution authorizing the Arrangement (the Abitibi Shareholders' Resolution) at the special meeting of the shareholders of Abitibi, which is currently anticipated to be held on or about July 18, 2007 (the Abitibi Meeting). The approval of the Arrangement will require the affirmative vote of not less than 66 2/3% of the votes cast on the Abitibi Shareholders' Resolution by the holders of Abitibi Common Shares present at the Abitibi Meeting in person or represented by proxy.

9. AbitibiBowater will account for the Proposed Transaction using the purchase method of accounting under generally accepted accounting principles in the United States of America (U.S. GAAP). Although the combination of Abitibi and Bowater has been structured as a "merger of equals transaction", U.S. GAAP require that one of the two companies party to the transaction be designated as the "acquiror" solely for accounting purposes. Based on a review of the applicable accounting rules, Abitibi and Bowater have preliminarily determined that Bowater is the "acquiror" solely for accounting purposes. The purchase price will be allocated to Abitibi's identifiable assets and liabilities based on their estimated fair market values on the second business day after the date on which all closing conditions to the Proposed Transaction have been satisfied or waived or another time as agreed to in writing by the parties, and any excess of the purchase price over those fair market values will be accounted for as goodwill. After completion of the Proposed Transaction, the results of operations of Abitibi will, on a going-forward basis, be included in the consolidated financial

statements of AbitibiBowater, which will also include the results of operations of Bowater and will be prepared in accordance with U.S. GAAP.

Bowater

10. Bowater was incorporated under the laws of the State of Delaware in 1964.

11. The principal executive offices of Bowater are located at 55 East Camperdown Way, Greenville, South Carolina, United States of America 29601.

12. Bowater is a leading producer of newsprint, coated and uncoated mechanical papers, bleached kraft pulp and lumber products.

13. The authorized capital stock of Bowater consists of 100,000,000 shares of Bowater Common Stock, par value US$1.00 per share and 10,000,000 shares of serial preferred stock (the Bowater Serial Preferred Stock), par value US$1.00 per share, of which there were, as of April 30, 2007, 56,217,139 issued and outstanding shares of Bowater Common Stock and one (1) issued and outstanding share of Bowater Serial Preferred Stock; Bowater has issued one share of special voting stock (designated as such from among the Bowater Serial Preferred Stock pursuant to a certificate of designation) to a trustee for the benefit of the holders of the Bowater Canada Exchangeable Shares (other than Bowater and its affiliates).

14. Bowater is a reporting issuer in the Province of Québec and is not on the list of defaulting reporting issuers maintained under the *Securities Act* (Québec).

15. Bowater is an "SEC issuer" as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) and the shares of Bowater Common Stock are currently listed on the NYSE under the symbol "BOW".

16. Immediately upon completion of the Proposed Transaction, Bowater will become a wholly-owned subsidiary of AbitibiBowater and it is intended that, shortly thereafter, application will be made for Bowater to cease to be a reporting issuer in the Province of Québec and for the shares of Bowater Common Stock to be delisted from the NYSE.

Bowater Canada

General

17. Bowater Canada was incorporated under the CBCA on April 15, 1998.

18. Bowater Canadian Holdings Inc. (Bowater Canadian Holdings), a direct wholly-owned subsidiary of Bowater, owns all of the issued and outstanding common shares of Bowater Canada. Bowater Canada is thus an indirect subsidiary of Bowater.

19. Bowater Canada's registered office is located at 1 First Canadian Place, 41st Floor, 100 King Street West, Toronto, Ontario, Canada M5X 1B2.

20. Bowater Canada has no real operations and its sole material assets consist of the shares of the capital of Bowater Canadian Forest Products Inc.

Bowater Canada's Share Capital

21. The authorized share capital of Bowater Canada consists of an unlimited number of common shares (the Bowater Canada Common Shares), 1,000 preferred shares (the Bowater Canada Preferred Shares) and an unlimited number of Bowater Canada Exchangeable Shares, of which, as at April 30, 2007, there were issued and outstanding 86,844,900 Bowater Canada Common Shares, no Bowater Canada Preferred Shares and 5,989,385 Bowater Canada Exchangeable Shares. Bowater Canadian Holdings owns all of the issued and outstanding Bowater Canada Common Shares and 4,786,647 of the issued and outstanding Bowater Canada Exchangeable Shares.

22. The Bowater Canada Exchangeable Share Provisions provide *inter alia*, that the holders of Bowater Canada Exchangeable Shares are entitled, at any time, to require Bowater Canada to redeem any or all of the Bowater Canada Exchangeable Shares and confer upon Bowater Canadian Holdings a pre-emptive "call right" to purchase all but not less than all of the Bowater Canada Exchangeable Shares that are the subject of such proposed redemption.

23. Bowater Canada is a reporting issuer (or has equivalent status) in each of the Provinces.

24. Bowater Canada Exchangeable Shares are currently listed on the TSX under the symbol "BWX". Bowater Canada intends to apply for the listing of additional Bowater Canada Exchangeable Shares issuable in connection with the Proposed Transaction on the TSX and to change its stock symbol to "AXB" (reflecting its proposed change of name to "AbitibiBowater Canada Inc.").

Bowater Canada Exchangeable Share Documents

Bowater Canada Exchangeable Share Provisions

25. The current Bowater Canada Exchangeable Share Provisions provide, among other matters, that: (a) the Bowater Canada Exchangeable Shares are exchangeable for shares of Bowater

Common Stock; and (b) except as required by applicable law, the holders of Bowater Canada Exchangeable Shares are not entitled to vote at meetings of the shareholders of Bowater Canada.

Voting and Exchange Trust Agreement and Support Agreement

26. Pursuant to and in connection with a voting and exchange trust agreement among Bowater Canada, Bowater Canadian Holdings, Bowater and Montreal Trust Company of Canada (now Computershare Trust Company of Canada) (the Trustee) dated July 24, 1998 (the Voting and Exchange Trust Agreement) and a support agreement among Bowater Canada, Bowater Canadian Holdings and Bowater dated July 24, 1998 (the Support Agreement), holders of Bowater Canada Exchangeable Shares are provided with economic entitlements and voting rights that are substantially the equivalent of the economic entitlements and voting rights attaching to the shares of Bowater Common Stock. At each meeting of the stockholders of Bowater, the Special Voting Stock issued by Bowater to the Trustee carries a number of votes equal to the number of then issued and outstanding Bowater Canada Exchangeable Shares (other than Bowater Canada Exchangeable Shares held by Bowater and its affiliates) for which the Trustee has received timely voting instructions from the holders of Bowater Canada Exchangeable Shares.

27. Bowater, Bowater Canadian Holdings and Bowater Canada will not exercise, and will prevent their affiliates from exercising, any voting rights attached to the Bowater Canada Exchangeable Shares owned by Bowater or Bowater Canadian Holdings or their affiliates on any matter considered at meetings of holders of Bowater Canada Exchangeable Shares (including any approval sought from such holders in respect of matters arising under the Support Agreement).

Abitibi

28. Abitibi results from the amalgamation of Abitibi-Price Inc. and Stone-Consolidated Corporation under the CBCA, pursuant to a certificate and articles of amalgamation each dated May 30, 1997.

29. Abitibi's principal executive and registered office is located at 1155 Metcalfe Street, Suite 800, Montréal, Québec, Canada H3B 5H2.

30. Abitibi is a global leader in newsprint and uncoated groundwood (commercial printing) papers as well as a major producer of wood products serving clients in some 70 countries from its 45 operating facilities.

31. Abitibi's authorized share capital consists of an unlimited number of Abitibi Common Shares and an unlimited number of Class A preferred shares (the Abitibi Preferred Shares), issuable in series. As at April 30, 2007, there were 440,174,994 Abitibi Common Shares and no Abitibi Preferred Shares issued and outstanding.

32. As of April 30, 2007, there were 15,627,867 outstanding options to acquire Abitibi Common Shares (the Abitibi Options) under Abitibi's various equity-based incentive plans.

33. Abitibi is a reporting issuer or has equivalent status in each of the Provinces and Territories and is not on the list of defaulting reporting issuers maintained under the relevant provisions of the Legislation.

34. The Abitibi Common Shares are currently listed on the TSX under the symbol "A" and on the NYSE under the symbol "ABY".

35. Upon completion of the Proposed Transaction, all of Abitibi's Common Shares will be owned by AbitibiBowater and Bowater Canada and it is intended that, shortly thereafter, application will be made for Abitibi to cease to be a reporting issuer and for the Abitibi Common Shares to be delisted from the TSX and the NYSE.

AbitibiBowater

36. Abitibi and Bowater formed AbitibiBowater for the sole purpose of effecting the Proposed Transaction and, to date, AbitibiBowater has not conducted any activities other than those incident to its formation, the execution of the Combination Agreement and the preparation of the Circular.

37. Before the execution of the Combination Agreement, Abitibi and Bowater caused Alpha-Bravo Holdings Inc. (now AbitibiBowater) to be organized under the laws of the State of Delaware. Each of Bowater and Abitibi currently owns 50% of the capital stock of AbitibiBowater which consists of 100 shares of AbitibiBowater Common Stock, par value $.01 per share of which, to date, one (1) share has been issued to Abitibi and one (1) share has been issued to Bowater.

Merger Sub

38. AbitibiBowater formed Merger Sub for the sole purpose of effecting the Proposed Transaction. To date, Merger Sub has not conducted any activities other than those incident to its formation and the execution of the Combination Agreement.

39. Upon completion of the Merger, Merger Sub will merge with and into Bowater with Bowater continuing as the surviving corporation.

The Bowater Canada Exchangeable Share Limit

40. The First Amendment provides for a limit on the number of Bowater Canada Exchangeable Shares that may be issued to eligible Abitibi shareholders in the Proposed Transaction to an amount that, when combined with Bowater Canada Exchangeable Shares issued to current holders of Bowater Canada Exchangeable Shares (after giving effect to the proposed share consolidation of the current Bowater Canada Exchangeable Shares contemplated by the Bowater Canada Articles of Amendment), is less than 20% of the total voting power of AbitibiBowater (the Bowater Canada Exchangeable Share Limit). The Bowater Canada Exchangeable Share Limit was established as a precaution to ensure that the Proposed Transaction remains tax deferred for U.S. resident holders of Abitibi Common Shares.

41. In the event that eligible Abitibi shareholders elect to receive an aggregate number of Bowater Canada Exchangeable Shares that exceeds the Bowater Canada Exchangeable Share Limit, then the number of Bowater Canada Exchangeable Shares that will be issued to each electing eligible Abitibi shareholder will be determined by multiplying the total number of Bowater Canada Exchangeable Shares otherwise issuable to such shareholder by a fraction, the numerator of which is the Bowater Canada Exchangeable Share Limit and the denominator of which is the aggregate number of Bowater Canada Exchangeable Shares otherwise issuable to all eligible Abitibi shareholders that elected to receive Bowater Canada Exchangeable Shares. In these circumstances, AbitibiBowater will issue to each electing eligible Abitibi shareholder a number of shares of AbitibiBowater Common Stock equal to the difference between (i) the number of Bowater Canada Exchangeable Shares otherwise issuable to an electing eligible Abitibi shareholder and (ii) the number of Bowater Canada Exchangeable Shares that will actually be issued to such shareholder.

42. Based on publicly available information regarding the current shareholdings of Abitibi, it is not expected that the Bowater Canada Exchangeable Share Limit will have a material effect on the ability of eligible Abitibi shareholders to receive tax deferred treatment on the exchange of their Abitibi Common Shares under the Proposed Transaction should they so elect.

The Bowater Canada Articles of Amendment

43. After the consummation of the Proposed Transaction, each Bowater Canada Exchangeable Share will be substantially the economic equivalent of one share of AbitibiBowater Common Stock and will be exchangeable at any time on a one-for-one basis for shares of AbitibiBowater Common Stock. In addition, each holder of a Bowater Canada Exchangeable Share will receive certain ancillary rights, including the right, through the Voting and Exchange Trust Agreement and the Special Voting Stock to: (i) effectively have the ability to cast votes at all AbitibiBowater stockholder meetings along with holders of shares of AbitibiBowater Common Stock; and (ii) economically equivalent entitlements to those held by holders of AbitibiBowater Common Stock pursuant to the Bowater Canada Exchangeable Share Provisions and the Support Agreement.

Amendments to the Voting and Exchange Trust Agreement and Support Agreement

44. Pursuant to the Combination Agreement, Bowater has agreed and undertaken that it will, and it will cause Bowater Canadian Holdings and Bowater Canada, on or prior to the Effective Date and subject to obtaining the final order of the Superior Court of Québec (the Court) approving the Arrangement (the Final Order) to, amend or amend and restate each of the Voting and Exchange Trust Agreement and the Support Agreement in order to give effect to the Proposed Transaction, including the Bowater Canada Articles of Amendment. Furthermore, subject to obtaining the Final Order and on or prior to the Effective Date, AbitibiBowater has agreed and undertaken to become a party to the amended and restated Voting and Exchange Trust Agreement and Support Agreement in order to assume the obligations of Bowater arising from the two agreements.

Court Approval of the Arrangement

45. Abitibi will apply to the Court for an interim order (the Interim Order) pursuant to section 192 of the CBCA which will require that the Arrangement be approved by the shareholders of Abitibi. The Interim Order is expected to provide for the convening and holding of the Abitibi Meeting in order for the holders of Abitibi Common Shares to vote on the Arrangement.

46. It is also a condition to the closing of the Proposed Transaction that the Final Order be granted.

47. Upon completion of the Proposed Transaction, each share of AbitibiBowater Common Stock that is owned by Bowater and Abitibi will automatically be cancelled.

Stock Exchange Listings

48. Pursuant to the Combination Agreement, Abitibi and Bowater have agreed to use their respective commercially reasonable efforts to:

(i) cause the shares of AbitibiBowater Common Stock to be issued pursuant to the Proposed Transaction to be approved for listing on the NYSE and the TSX before the completion of the Proposed Transaction, subject to official notice of issuance;

(ii) cause the shares of AbitibiBowater Common Stock to be issued upon exchange of the Bowater Canada Exchangeable Shares and upon exercise of replacement options to purchase AbitibiBowater Common Stock to be approved for listing on the NYSE and the TSX before completion of the Proposed Transaction, subject to official notice of issuance; and

(iii) cause the additional Bowater Canada Exchangeable Shares to be issued to holders of Abititi Common Shares who validly elect to receive Bowater Canada Exchangeable Shares in the Arrangement to be conditionally approved for listing on the TSX before the completion of the Proposed Transaction.

49. Following completion of the Proposed Transaction, the AbitibiBowater Common Stock is expected to trade on both the NYSE and the TSX under the symbol "ABH," while the Bowater Canada Exchangeable Shares are expected to trade on the TSX under the symbol "AXB".

AbitibiBowater Upon the Completion of the Proposed Transaction

50. In accordance with AbitibiBowater's restated certificate of incorporation, restated bylaws and certificate of designation with respect to AbitibiBowater special voting stock (the AbitibiBowater Special Voting Stock), each of which will be in effect on the Effective Date, AbitibiBowater will be authorized to issue 100,000,000 shares of AbitibiBowater Common Stock, par value U.S.$1.00 per share, and 10,000,000 shares of serial preferred stock (AbitibiBowater Serial Preferred Stock), par value U.S.$1.00 per share. A number of shares of AbitibiBowater Common Stock equal to the number of Bowater Canada Exchangeable Shares outstanding after the completion of the Proposed Transaction will be reserved for issuance upon the exchange of Bowater Canada Exchangeable Shares and a certain number of shares of AbitibiBowater Common Stock will be reserved for issuance upon the exercise from time to time of stock options and other stock-based awards.

51. The certificate of designation with respect to AbitibiBowater Special Voting Stock will create a series of preferred stock designated as "Special Voting Stock", which will consist of one share and will have the rights, privileges, restrictions and conditions described in the certificate of designation. At each annual or special meeting of AbitibiBowater stockholders, the Trustee in its capacity as holder of the AbitibiBowater Special Voting Stock will be entitled to vote on all matters submitted to a vote of the holders of AbitibiBowater Common Stock, voting together with the holders of AbitibiBowater Common Stock as a single class (except as otherwise provided by applicable law or in the certificate of designations with respect to the AbitibiBowater Special Voting Stock). The Trustee holding the AbitibiBowater Special Voting Stock will be entitled to cast on any such matter a number of votes equal to the number of then outstanding Bowater Canada Exchangeable Shares that are not owned by AbitibiBowater or its affiliates, and as to which the Trustee holding the AbitibiBowater Special Voting Stock has received timely voting instructions from the holders of such Bowater Canada Exchangeable Shares. The Voting and Exchange Trust Agreement, which will be amended and restated prior to the Effective Date, will further set forth the procedures and rights relating to the AbitibiBowater Special Voting Stock.

52. Upon completion of the Proposed Transaction, AbitibiBowater will be a reporting issuer (or have equivalent status) in each of the Provinces and Territories.

The Circular

53. In connection with the Bowater Meeting, the Bowater Canada Meeting and the Abitibi Meeting, each of Bowater, Bowater Canada and Abitibi will deliver the Circular to their respective shareholders. The Circular will contain prospectus-level disclosure of the business and affairs of Bowater, Abitibi and AbitibiBowater, as well as the particulars of the Proposed Transaction, including details of the Combination Agreement, the Merger, the Arrangement and the Bowater Canada Articles of Amendment.

54. All required and relevant historical audited or unaudited financial information regarding Bowater, Abitibi and AbitibiBowater as well as the Pro forma Financial Statements will be included in or incorporated by reference into the Circular.

55. Abitibi's annual and interim financial statements are prepared in accordance with Canadian generally accepted accounting principles.

56. Bowater's annual and interim financial statements are prepared in accordance with U.S. GAAP.

57. AbitibiBowater's historical financial statements included in the Circular, which consist solely of an

audited consolidated "opening" balance sheet, have been prepared in accordance with U.S. GAAP.

58. The Pro forma Financial Statements have been prepared in accordance with U.S. GAAP.

59. The following financial statements and related management's discussion and analysis will be incorporated by reference into the Circular:

(i) Bowater's audited comparative consolidated financial statements for each of the years in the three-year period ended December 31, 2006 and management's discussion and analysis thereon included in Bowater's Annual Report on Form 10-K for the year ended December 31, 2006 filed with the SEC on March 1, 2007;

(ii) Bowater's interim unaudited financial statements for the three-month period ended March 31, 2007 and management's discussion and analysis thereon included in Bowater's quarterly report on Form 10-Q for the three-month period ended March 31, 2007 filed with the SEC on May 10, 2007;

(iii) Abitibi's audited comparative consolidated financial statements for the fiscal years ended December 31, 2006, December 31, 2005 and December 31, 2004 and management's discussion and analysis thereon filed with the Canadian securities regulatory authorities on March 15, 2007; and

(iv) Abitibi's interim unaudited financial statements for the three-month period ended March 31, 2007 and management's discussion and analysis thereon filed with the Canadian securities regulatory authorities on May 9, 2007.

60. The following financial statements will be included in the Circular:

(i) AbitibiBowater's audited consolidated balance sheet as at March 31, 2007; and

(ii) the Pro forma Financial Statements.

Prospectus-Level Disclosure Regarding Bowater Canada

61. Upon completion of the Proposed Transaction, Bowater Canada will be an indirect subsidiary of AbitibiBowater, wholly-owned except for the Bowater Canada Exchangeable Shares held by members of the public.

62. The Bowater Canada Exchangeable Shares currently provide a holder with a security in a Canadian issuer, namely Bowater Canada, having economic and voting rights which are, as nearly as practicable, identical to those of shares of Bowater Common Stock. In particular, each Bowater Canada Exchangeable Share is: (a) entitled to receive dividends from Bowater Canada in amounts which are economically equivalent to, and which are payable immediately after, the dividends declared on a share of Bowater Common Stock; (b) entitled to be redeemed at any time, at the holder's option, for a share of Bowater Common Stock; (c) entitled on the liquidation, dissolution or winding-up of Bowater Canada to be exchanged for one share of Bowater Common Stock; (d) upon the liquidation, dissolution or winding-up of Bowater, automatically exchanged for one share of Bowater Common Stock so that the holder thereof may participate in the dissolution of Bowater on the same basis as a holder of a share of Bowater Common Stock; and (e) entitled to vote, on an equivalent basis through the Voting and Exchange Trust Agreement, at all Bowater stockholder meetings and with respect to all written consents sought by Bowater from holders of shares of Bowater Common Stock.

63. In the event the Proposed Transaction is completed, the Bowater Canada Exchangeable Shares will provide a holder with a security in a Canadian issuer, namely Bowater Canada, which will be renamed AbitibiBowater Canada Inc. (AbitibiBowater Canada), having economic and voting rights which will be, as nearly as practicable, identical to those of shares of AbitibiBowater Common Stock. In particular, each exchangeable share of the capital of AbitibiBowater Canada (the AbitibiBowater Canada Exchangeable Share) will be: (a) entitled to receive dividends from AbitibiBowater Canada in amounts which are economically equivalent to, and which are payable immediately after the dividends declared on a share of AbitibiBowater Common Stock; (b) entitled to be redeemed at any time, at the holder's option, for a share of AbitibiBowater Common Stock; (c) entitled on the liquidation, dissolution or winding-up of AbitibiBowater Canada to be exchanged for one share of AbitibiBowater Common Stock; (d) upon the liquidation, dissolution or winding-up of AbitibiBowater, automatically exchanged for one share of AbitibiBowater Common Stock so that the holder thereof may participate in the dissolution of AbitibiBowater on the same basis as a holder of a share of AbitibiBowater Common Stock; and (e) entitled to vote, on an equivalent basis through the amended and restated Voting and Exchange Trust Agreement, at all AbitibiBowater stockholder meetings and with respect to all written consents sought by AbitibiBowater from holders of shares of AbitibiBowater Common Stock.

64. As a result of this substantial economic and voting equivalency between the AbitibiBowater Canada Exchangeable Shares and shares of AbitibiBowater Common Stock, holders of AbitibiBowater Canada Exchangeable Shares will have a participating interest determined by reference to AbitibiBowater, rather than AbitibiBowater Canada, and dividend and liquidation entitlements will be determined by reference to the financial performance and condition of AbitibiBowater, rather than AbitibiBowater Canada. In light of the fact that the value of the AbitibiBowater Canada Exchangeable Shares, determined through dividend and liquidation entitlements and capital appreciation, will be determined by reference to the consolidated financial performance and condition of AbitibiBowater rather than AbitibiBowater Canada, which in fact will have no real direct operations, information respecting AbitibiBowater Canada, including financial information, is not relevant to holders of Abitibi Common Shares who elect to receive AbitibiBowater Canada Exchangeable Shares.

65. Holders of AbitibiBowater Canada Exchangeable Shares will effectively have a participating interest in AbitibiBowater, which will carry on the business and affairs currently conducted by each of Abitibi and Bowater on a stand-alone basis, and will not have a participating interest in AbitibiBowater Canada.

66. As it will continue to be an exchangeable security issuer, AbitibiBowater Canada will have no real operations and, immediately following completion of the Proposed Transaction, its sole material assets will consist of the shares of the capital of Bowater Canadian Forest Products Inc.

67. Consequently, it is the financial information relating to Abitibi, Bowater and AbitibiBowater, which will be included in, or incorporated by reference into, the Circular, that is directly relevant to the holders of Bowater Canada Exchangeable Shares and Abitibi Common Shares making a decision in connection with the Proposed Transaction, as ultimate holders of shares of AbitibiBowater Common Stock following the completion of the Proposed Transaction.

Compilation Report

68. There exists no equivalent requirement to include a compilation report together with *pro forma* Financial Statements contained in a prospectus under United States securities laws and regulations.

69. The inclusion of a compilation report to be signed by an independent auditor, which would be contained in the Circular for the sole purpose of satisfying the requirement set out in the Legislation, would require separate circulars to stockholders in the United States and shareholders in Canada. It is more beneficial to the shareholders of Abitibi, Bowater and AbitibiBowater to receive a joint circular.

70. There is no longer a requirement under the Legislation for *pro forma* Financial Statements that are included in a business acquisition report to be accompanied by a compilation report.

Decision

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

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

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

2.1.7 First Structured Notes Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer has only one security holder – Issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

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

June 27, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, MANITOBA, SASKATCHEWAN, ONTARIO, QUÉBEC, 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
FIRST STRUCTURED NOTES CORPORATION
(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 deemed to have ceased to be a reporting issuer in the Jurisdictions (the Requested Relief).

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

(a) the Autorité des marchés financiers 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 was incorporated under the laws of the Province of Ontario by articles of incorporation dated February 7, 1990, and was continued under the *Canada Business Corporation Act* on March 12, 2001;

2. the Filer's head office is located in Montreal, Quebec;

3. the Filer is a reporting issuer in each of the Jurisdictions;

4. the Filer became a reporting issuer on July 12, 1990 by filing a prospectus with all the Jurisdictions, British Columbia and Prince Edward Island. The Filer offered to the public equity dividend shares and units (each unit consisting of one $25.40 debenture and one capital share);

5. on April 23, 1996, the Filer distributed substantially all of its assets and satisfied all of its obligations. All of its 3,500,000 equity dividend shares were redeemed at a price of $26.5056 per equity dividend share and all of its 3,000,000 units, comprising a capital share and a debenture were redeemed for either cash of $50.8170 or a BCE Inc. common share in lieu of cash for each unit retracted;

6. on May 26, 2006, Quanto Financial Corporation (Quanto) acquired the 1,000 common shares that were issued and outstanding and which were the only issued and outstanding securities of the Filer, for investment purposes;

7. as of the date hereof, the Filer has no operating business and it intends to continue to be a single purpose investment vehicle;

8. other than 1,000 common shares of the Filer, the Filer has no securities (including debt securities) issued and outstanding. The Filer does not intend to distribute any securities to the public in the future;

9. issued and outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 securityholders in each of the Jurisdiction in Canada and less than 51 securityholders in total in Canada;

10. no securities of the Filer are traded on a market place as defined in National Instrument 21-102 – *Market Place Operation*;

11. the Filer surrendered its status as a reporting issuer under the Securities Act (British Columbia)

pursuant to BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* as of May 28, 2007;

12. the Filer is in default of its obligations under the Legislation as it has not filed the following information or documents: (a) the annual certificates for the year ended December 31, 2006, in compliance with Form 52-109F1 of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* ("52-109") (Annual Certificates); (b) the conclusions from the chief executive officer and the chief financial officer of the Corporation regarding the efficiency of controls and communication procedures of the information at the end of the fiscal period ended December 31, 2006 to be disclosed in the annual management and discussion analysis (MD&A), in compliance with 52-109 (Evaluation Conclusions); (c) the code that has to be filed pursuant to Section 2.3 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (Code of Conduct); (d) the rules described in Section 2.3 of Multilateral Instrument 52-110 – *Audit Committees* (Text of the Audit Committee's Charter); and (e) the interim financial statements and the related MD&A for the period ended March 31, 2007, along with the certificates of the chief executive officer and the chief financial officer (Interim Filings). The Filer has not filed the Annual Certificates, the Evaluation Conclusions, the Code of Conduct, the Text of the Audit Committee's Charter and the Interim Filings, as Quanto became the sole beneficial owner of all of the Filer's issued and outstanding securities before the date on which the Filer was required to file the above-mentioned information or documents.

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 have been met.

The decision of the Decision Maker pursuant to the Legislation is that the Requested Relief is granted.

"Marie-Christine Barrette"
Manager of the Financial Disclosure Department

2.1.8 Natcan Investment Management Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds to allow dealer managed mutual funds to invest in securities of an issuer during the prohibition period – affiliates of the Dealer Managers acted as underwriters in connection with the distribution of securities of the issuer.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.1(1), 19.1.

July 3, 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, THE NORTHWEST TERRITORIES, NUNAVUT AND THE YUKON
(the "Jurisdictions")

AND

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

AND

NATCAN INVESTMENT MANAGEMENT INC. AND BMO HARRIS INVESTMENT MANAGEMENT INC.
(together, the "Dealer Managers")

AND

ALTAMIRA INVESTMENT SERVICES INC. AND BMO HARRIS INVESTMENT MANAGEMENT INC.
(together, the "Managers")

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 Dealer Managers and the Managers (collectively, the "**Applicants**"), on behalf of the mutual funds named in Appendix "A" for which each of the Applicants acts as portfolio adviser or manager or both (the "**Funds**" or "**Dealer Managed Funds**"), for a decision ("**Decision**") under section 19.1 of National Instrument 81-102 Mutual Funds ("**NI 81-102**" or the "**Legislation**") for:

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in

units (the "**Units**") of Urbana Corporation (the "**Issuer**"), each Unit consisting of one Non-Voting Class A Share (each a "**Class A Share**") of the Issuer and one-half of one Class A Share purchase warrant (each whole purchase warrant, a "**Warrant**", and collectively with the Units and the Class A Shares, the "**Securities**") during the distribution period of the Units (the "**Distribution**") and to invest in Class A Shares and Warrants during the 60-day period (the "**60-day Period**") following completion of the Distribution (the Distribution and the 60-day Period together, the "**Prohibition Period**"), notwithstanding that an associate or an affiliate of the Applicant acts or has acted as an underwriter in connection with the offering (the "**Offering**") of Units of the Issuer pursuant to a simplified prospectus filed in all of the provinces of Canada and on a private placement basis in the United Kingdom(the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from subsection 4.1(1) of NI 81-102 in relation to the specific facts of each application.

Interpretation

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

Representation

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

1. The Dealer Managers are “dealer managers” with respect to the Dealer Managed Funds, and the Dealer Managed Funds are “dealer managed mutual funds”, as such terms are defined in section 1.1 of NI 81-102.

2. The Dealer Managers are the portfolio advisers to the Dealer Managed Funds. Altamira Investment Services Inc. is the manager of the Altamira Funds listed in Appendix “A” and an affiliate of Natcan Investment Management Inc. (“**Natcan**”). BMO Harris Investment Management Inc. (“**BHIM**”) is both the manager and portfolio adviser of the BMO Harris Growth Opportunities Portfolio.

3. The head office of BHIM is in Toronto, Ontario and the head office of Natcan is in Montreal, Quebec.

4. The securities of the Dealer Managed Funds are qualified for distribution in one or more of the provinces and territories of Canada pursuant to simplified prospectuses that have been prepared and filed in accordance with the applicable securities legislation.

5. The Offering is being underwritten, subject to certain terms, by a syndicate which will include National Bank Financial Inc., an affiliate of Natcan and Altamira Investment Services Inc., and BMO Nesbitt Burns Inc., an affiliate of BHIM (together, the “**Related Underwriters**”) (the Related Underwriters and any other underwriter, which are now or may become part of the syndicate prior to closing, the “**Underwriters**”).

6. As described in the Issuer’s preliminary simplified prospectus dated June 6, 2007 (the "**Preliminary Prospectus**"), the Issuer is an investment company governed by the *Business Corporations Act* (Ontario). The Issuer is a "non-redeemable investment fund" and an "investment fund" although it is not a "mutual fund" for the purposes of applicable securities laws of the provinces and territories of Canada. The strategy of the Issuer is to search for and acquire investments for income and capital appreciation.

7. According to the Preliminary Prospectus, the offering price of the Units will be determined by negotiation between the Issuer and the Underwriters and the gross proceeds of the Offering are expected to be approximately $50,000,000 to $100,000,000. In addition, the Underwriters will be granted an option to purchase up to an additional 15% of the Offering exercisable until 30 days after the Closing Date (as defined below).

8. According to the Simplified Prospectus, each Warrant will entitle the holder to subscribe for one additional Class A Share and will expire approximately two years from the closing of the Offering, which is expected to occur on or about July 11, 2007 (the "**Closing Date**").

9. Except with respect to voting, each common share of the Issuer and each Class A Share will have the same rights and are equal in all respects on a share for share basis. The holders of Class A Shares are entitled to receive notice of and attend all meetings of common shareholders of the Issuer. The holders of Class A Shares will not be entitled to vote at such meetings other than as required by applicable law.

10. According to the Preliminary Prospectus, the net proceeds of the Offering will be used by the Issuer to acquire additional participants in various exchange properties as the opportunity arises and for general corporate purposes.

11. As described in the Simplified Prospectus, the Class A Shares are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "URB.A". The Issuer also has a series of Non-Voting Class A purchase warrants listed on the TSX under the symbol "URB.WT". The Issuer has applied to list the Class A Shares and Warrants issued as part of the Offering on the TSX.

12. As described in the Simplified Prospectus, the Issuer will not issue or sell any Class A Shares or financial instruments convertible or exchangeable into common shares or Class A Shares, other than for purposes of employee stock options, to satisfy warrants, agreements, instruments or other arrangements issued or existing as of the date of the Simplified Prospectus, or in exchange for common shares of NYSE Group Inc. held by other investment vehicles managed by Caldwell Investment Management Ltd. for a period of 180 days from the Closing Date, without the prior consent of Blackmont Capital Inc. (an Underwriter), such consent not to be unreasonably withheld.

13. The Simplified Prospectus does not disclose that the Issuer is a "related issuer" or "connected issuer", as defined in National Instrument 33-105 – *Underwriting Conflicts*, of the Related Underwriters.

14. Despite the affiliation between the Dealer Managers and the Related Underwriters, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriters and the investment portfolio management activities of the Dealer Managers are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer Managers and the Related Underwriters may communicate to enable the Dealer Managers to maintain an up to date restricted-issuer list to ensure that the Dealer Managers comply with applicable securities laws); and

    (b) the Dealer Managers and the Related Underwriters may share general market information such as discussion on general economic conditions, bank rates, etc.

15. The Dealer Managed Funds are not required or obligated to purchase any Securities during the Prohibition Period.

16. The Dealer Managers may cause the Dealer Managed Funds to invest in Securities during the Prohibition Period. Any purchase of Securities will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Dealer Managers uninfluenced by considerations other than the best interests of the Dealer Managed Funds or in fact be in the best interests of the Dealer Managed Funds.

17. To the extent that the same portfolio manager or team of portfolio managers of the Dealer Managers manage the Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the purchases for them will be allocated:

    (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Managers for the Dealer Managed Funds and Managed Accounts, and

    (b) taking into account the amount of cash available to each of the Dealer Managed Funds for investment.

18. There will be an independent committee (the "**Independent Committee**") appointed in respect of each of the Dealer Managed Funds to review the Dealer Managed Funds' investments in Securities during the Prohibition Period.

19. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Fund, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgment regarding conflicts of interest facing the Dealer Managers.

20. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

21. Each Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, of the filing of the SEDAR Report (as defined below) on SEDAR, as soon as practicable after the filing of such report, and the notice shall include the SEDAR project number of

the SEDAR Report and the date on which it was filed.

22. Except as described above, each Dealer Manager has not been involved in the work of its Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Manager as to whether the Dealer Managed Funds will purchase Securities during the Prohibition Period.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from subsection 4.1(1) of NI 81-102 and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

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

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided that the following conditions are satisfied:

I. At the time of each purchase (the "**Purchase**") of Securities by a Dealer Managed Fund pursuant to this Decision, the following conditions are satisfied:

(a) the Purchase

(i) represents the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(ii) is, in fact, in the best interests of the Dealer Managed Fund;

(b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and

(c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with its Related Underwriter;

II. Prior to effecting any Purchase pursuant to this Decision, the Dealer Managed Fund has in place written policies or procedures to ensure that,

(a) there is compliance with the conditions of this Decision; and

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating the Securities purchased for two or more Dealer Managed Funds and other Managed Accounts, and

(ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria;

III. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Securities for the Dealer Managed Funds;

IV. The Related Underwriter does not purchase Units in the Offering for its own accounts except Units that are sold by the Related Underwriter on Closing;

V. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in Securities during the Prohibition Period;

VI. The Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the applicable conditions of this Decision;

VII. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

VIII. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above;

IX. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above;

X. The cost of any indemnification or insurance coverage paid for by the Managers, the Dealer Manager, any portfolio manager of the Dealer Managed Fund, or any associate or affiliate of the Dealer Manager or any portfolio manager of the Dealer Managed Fund to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph

VII above is not paid either directly or indirectly by the Dealer Managed Fund;

XI. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**"), in respect of the Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Securities purchased by the Dealer Managed Fund;

(ii) the date of the Purchase and purchase price;

(iii) whether it is known whether any Underwriter or syndicate member has engaged in market stabilization activities in respect of the Securities;

(iv) if Securities were purchased for two or more Dealer Managed Funds and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and

(v) the dealer from whom the Dealer Managed Fund purchased the Securities and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;

(b) a certification by the Dealer Manager that the Purchase:

(i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Fund, or

(iii) was, in fact, in the best interests of the Dealer Managed Fund;

(c) confirmation of the existence of the Independent Committee to review the Purchase of the Securities by the Dealer Managed Fund, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review;

(d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of the Dealer Managed Fund by the Dealer Manager to purchase Securities for the Dealer Managed Fund and each Purchase by the Dealer Managed Fund:

(i) was made in compliance with the conditions of this Decision;

(ii) was made by the Dealer Manager free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(iii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(iv) was, in fact, in the best interests of the Dealer Managed Fund.

XII. The Independent Committee advises the Decision Makers in writing of:

(a) any determination by it that the condition set out in paragraph XI(d) has not been satisfied with respect to any Purchase of the Securities by the Dealer Managed Fund;

(b) any determination by it that any other condition of this Decision has not been satisfied;

(c) any action it has taken or proposes to take following the determinations referred to above; and

(d) any action taken, or proposed to be taken, by the Managers or the Dealer Manager of the Dealer Managed Fund, in response to the determinations referred to above.

XIII. For Purchases of Units during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of the Dealer Managed Fund and Managed Accounts a fixed number of Units (the "**Fixed Number**") to an Underwriter other than its Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Managers no more than five (5) business days after the closing of the Offering;

(c) does not place an order with an Underwriter of the Offering to purchase an additional number of Units under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time of the closing of the Offering for the purposes of the Closing, the Dealer Manager may place an additional order for such number of additional Units equal to the difference between the Fixed Number and the number of Units allotted to the Dealer Managers, in the event that the Over-Allotment Option is exercised at the time of the closing of the Offering; and

(d) does not sell Units purchased by the Dealer Managers under the Offering, prior to the listing of the Class A Shares and the Warrants on the TSX;

XIV. Each Purchase of Warrants and Class A Shares during the 60-Day Period is made on the TSX; and

XV. For Purchases of Warrants and Class A Shares during the 60-Day Period only, an Underwriter provides to the Dealer Manager written confirmation that the dealer restricted period in respect of the Offering, as defined in OSC Rule 48-501, *Trading During Distributions, Formal Bids and Share Exchange Transactions*, has ended.

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

Appendix "A"

THE MUTUAL FUNDS

The Altamira Funds

Altamira Balanced Fund
Altamira Capital Growth Fund Limited
Altamira Equity Fund
Altamira Growth & Income Fund

BMO Harris Private Portfolios

BMO Harris Growth Opportunities Portfolio

2.1.9 Engenuity Technologies Inc. - s. 1(10)b

Headnote

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

Ontario Statutes

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

Montréal
June 28, 2007

FASKEN MARTINEAU DUMOULIN LLP
Stock Exchange Tower
Suite 3400, P.O. Box 242
800 Place Victoria
Montreal, Quebec
H4Z 1E9

Attention: Mr. Sébastien Hébert

Dear Sir,

Re: Engenuity Technologies Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Quebec, Ontario, Alberta, Manitoba, Nova Scotia, Saskatchewan, New Brunswick, Newfoundland and Labrador ("Jurisdictions").

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

As the Applicant has represented to the Decision Makers that,

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

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

"Marie-Christine Barrette"
La Chef du Service de l'information financière,

2.1.10 Canadian Scholarship Trust Foundation et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application – Exemptive relief granted to scholarship plans allowing extension of prospectus lapse date and relief to not include interim financial statements in the renewal prospectus due to the unique fact situation that gave rise to the application.

Applicable Statutory Provisions

Securities Act, R.S.O 1990, c. S.5, as am., s. 62(5).
OSC Rule 41-502, ss. 5.2(b), 11.1

June 28 , 2007

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

AND

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

AND

IN THE MATTER OF
CANADIAN SCHOLARSHIP TRUST FOUNDATION
(THE "FILER")
ON BEHALF OF THE
CANADIAN SCHOLARSHIP TRUST GROUP PLAN 2001, THE CANADIAN SCHOLARSHIP TRUST INDIVIDUAL PLAN AND THE CANADIAN SCHOLARSHIP TRUST FAMILY PLAN
(COLLECTIVELY, THE "PLANS")

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:

(i) the time limits for the renewal of the prospectus of the Plans dated June 27, 2006 (the Prospectus) be extended to the time limits that would be applicable if the lapse date of the Prospectus were August 31, 2007 (the New Lapse Date), and

(ii) the renewal prospectus for the Plans filed within the extended time limits applicable under the New Lapse Date not be required to include the interim financial statements of the Plans for the period ended April 30, 2007.

Paragraphs (i) and (ii) together shall be referred to as the Requested Relief.

Under the Mutual Reliance Review System for Exemptive Relief Application,

(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 non-profit corporation without share capital incorporated by Letters Patent dated December 15, 1960 under the *Canada Corporations Act* with its head office located in Ontario;

2. The Plans are reporting issuers, or the equivalent thereof, as defined in the Legislation, and are not in default of any requirements of the Legislation or the regulations made thereunder;

3. The Filer is the sponsor and the administrator of the Plans;

Lapse Date Relief

4. The Plans are currently offered under the Prospectus that was receipted on June 29, 2006. Pursuant to the Legislation or the regulations made thereunder, the lapse date ("Lapse Date") for the distribution of scholarship agreements by the Plans is June 27, 2007.

5. A *pro forma* prospectus for the Plans was filed on May 2, 2007. First and second comment letters have been issued by staff of the OSC as principal regulator. OSC staff told the Filer that given that a number of the comments relate to broad industry wide issues, additional time would be required to consider the responses before staff could clear the prospectus for final filing.

6. There have been no material changes in the affairs of the Plan since the date of the Prospectus.

Prospectus Relief – Interim Financial Statements

7. The Legislation requires the interim financial statements of the Plans for the period ended April 30, 2007 to be filed no later than June 29, 2007. The Foundation would have been in a position to file the renewal prospectus offering the Plans prior to June 29, 2007. Since the delay in the filing of the renewal prospectus for the Plans is beyond the control of the Filer, the Filer has submitted that it should not be required to include the interim financial statements of the Plans in the renewal prospectus if it is filed on or after June 29, 2007. OSC Rule 41-502 and the equivalent provisions in the Legislation or local rules of other Jurisdictions would require the interim financial statements of the Plans to be included in the renewal prospectus if it is filed on or after June 29, 2007.

8. The interim financial statements for the period ended April 30, 2007 will be prepared, filed and made available otherwise in accordance with National Instrument 81-106 Investment Fund Continuous Disclosure.

Additional Submissions

9. Since the delay in the filing of the renewal prospectus for the Plans is beyond the control of the Filer, the Filer has submitted that it would be appropriate to waive the fee normally required to accompany applications for discretionary relief.

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:

A. the time periods provided by the Legislation as they apply to a distribution of securities under the Prospectus are hereby extended to the time periods that would be applicable if the Lapse Date was August 31, 2007; and

B. the renewal prospectus for the Plans filed within the time limits permitted by this Decision under the New Lapse Date is exempt from the requirements of the Legislation to include the interim financial statements of the Plans for the period ended April 30, 2006.

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

2.1.11 NACCO Industries, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from dealer registration and prospectus requirements to allow US parent company to spin-off the shares of its US subsidiary to investors by way of a dividend in specie. Spin-off technically not covered by legislative exemptions. US parent company having a de minimus shareholder presence in Canada. US parent company was a public company in the United States, but not a reporting issuer in Canada. Following spin-off, US subsidiary will be an independent public company in the United States, but not a reporting issuer in Canada. No investment decision required from Canadian shareholders in order to receive the spin-off shares.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1).

June 29, 2007

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

AND

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

AND

IN THE MATTER OF
NACCO INDUSTRIES, INC.
(the "Filer" or "NACCO")

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**") for an exemption from the dealer registration requirements and the prospectus requirements of the Legislation (the "**Dealer Registration and Prospectus Requirements**") in respect of the proposed distribution of shares of Class A common stock and Class B common stock of Hamilton Beach, Inc. ("**Hamilton Beach**") by the Filer to holders of shares of Class A common stock of NACCO resident in Canada (the "**Canadian Shareholders**") by way of an in specie dividend as part of the Filer's spin-off of Hamilton Beach (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 an operating holding company incorporated under the laws of Delaware. Its principal executive offices are located in Cleveland, Ohio. The Filer is not a reporting issuer under the securities laws of any province or territory of Canada (where that concept exists). The Filer has no intention of ever becoming a reporting issuer or the equivalent under the securities laws of any province or territory of Canada.

2. The shares of Class A Common Stock of the Filer (the "**NACCO Class A Shares**") are listed and traded on the New York Stock Exchange ("**NYSE**"). The NACCO Class A Shares are not listed or traded on any Canadian stock exchange.

3. The shares of Class B Common Stock of the Filer (the "**NACCO Class B Shares**") are not listed or traded on any stock exchange. Because of transfer restrictions, no trading market has developed, or is expected to develop, for NACCO Class B Shares.

4. Each NACCO Class A Share has one vote and each NACCO Class B Share has ten votes at any meeting of shareholders of NACCO. Each NACCO Class B Share can be converted into one NACCO Class A Share.

5. As of December 31, 2006, there were:

   (a) approximately 350 registered holders of NACCO Class A Shares (the "**NACCO Class A Shareholders**") holding all of the outstanding 6,628,483 NACCO Class A Shares; and

   (b) approximately 300 registered holders of NACCO Class B Shares (the "**NACCO**

Class B Shareholders") holding all of the outstanding 1,609,513 NACCO Class B Shares.

6. As at March 16, 2007, there were:

   (a) 340 registered NACCO Class A Shareholders;

   (b) 258 registered NACCO Class B Shareholders;

   (c) no registered NACCO Class A Shareholders resident in Canada;

   (d) 3 participants of The Depository Trust Company in Ontario with accounts holding 410 NACCO Class A Shares;

   (e) 3 beneficial owners of 410 NACCO Class A Shares resident in British Columbia, Manitoba and New Brunswick; and

   (f) no registered NACCO Class B Shareholders resident in Canada.

   As such, the proportion of NACCO Class A Shares held by NACCO Class A Shareholders or beneficial owners of NACCO Class A Shares resident in Canada is *de minimus*.

7. Subject to obtaining necessary approvals, on or about July 13, 2007, NACCO will spin off a portion of its business into an independent, publicly-traded company through a tax neutral spin-off transaction ("**Spin-Off**"). The United States Securities and Exchange Commission (the "**SEC**") is reviewing the disclosure documents filed by Hamilton Beach for the Spin-Off, namely a registration statement on Form 10 under the United States Securities Exchange Act of 1934 which contains an information statement with pro forma financial information as an exhibit.

8. Hamilton Beach is an indirect, wholly owned subsidiary of NACCO and constitutes a part of NACCO's housewares business. To effect the Spin-Off, Housewares Holding Company, a wholly owned subsidiary of NACCO and parent of Hamilton Beach, will distribute to NACCO all of the outstanding shares of Class A common stock and Class B common stock of Hamilton Beach (the "**Hamilton Beach Shares**"). NACCO will then make a pro rata distribution by way of an in specie dividend (the "**Distribution**") of all the outstanding Hamilton Beach Shares to holders of the outstanding NACCO Class A Shares and NACCO Class B Shares (the "**NACCO Shareholders**"). For each NACCO Class A Share, NACCO will distribute one half of one share of Class A common stock of Hamilton Beach ("**Hamilton Beach Class A Share**") and one half of one share of Class B common stock of Hamilton Beach ("**Hamilton Beach Class B Share**"). Similarly, for each NACCO Class B Share, NACCO will distribute one half of one Hamilton Beach Class A Share and one half of one Hamilton Beach Class B Share.

9. Similar to the NACCO Class A Shares and the NACCO Class B Shares (collectively, the "**NACCO Shares**"), each Hamilton Beach Class A Share will have one vote and each Hamilton Beach Class B Share will have ten votes at any meeting of shareholders of Hamilton Beach. Each Hamilton Beach Class B Share can be converted into one Hamilton Beach Class A Share.

10. NACCO Shareholders will not be required to pay for Hamilton Beach Shares received in the Spin-Off, or to surrender or exchange NACCO Shares or take any other action to be entitled to receive their Hamilton Beach Shares. The Distribution will occur automatically and without any investment decision on the part of the NACCO Shareholders.

11. After the Spin-Off, the NACCO Class A Shares will continue to be listed and traded on NYSE.

12. Hamilton Beach has applied to list the Hamilton Beach Class A Shares on NYSE. The Hamilton Beach Class B Shares will not be listed on NYSE or any other stock exchange.

13. Hamilton Beach does not intend to list its shares on any stock exchange in Canada and it does not intend to become a reporting issuer or the equivalent in any of the Jurisdictions.

14. The Spin-Off and the Distribution will be effected in compliance with Delaware law and United States federal securities laws.

15. Because the Spin-Off of Hamilton Beach will be effected by way of a dividend to the NACCO Shareholders, no shareholder approval of the proposed transaction is required under Delaware law.

16. All materials relating to the Spin-Off and the Distribution sent by or on behalf of NACCO or Hamilton Beach to registered NACCO Shareholders in the United States will be sent concurrently to the registered NACCO Shareholders in Canada, if any, and a copy thereof will be filed with each of the local securities regulators in each of the Jurisdictions.

17. Registered NACCO Shareholders in Canada, if any, will be sent the information statement that is an exhibit to the registration statement on Form 10 that was filed with the SEC after the SEC declares the registration statement effective.

18. Following the Spin-Off, NACCO and Hamilton Beach, respectively, will send concurrently to the

registered holders of NACCO Shares and Hamilton Beach Shares resident in Canada, if any, the same disclosure materials that each sends to registered holders of NACCO Shares and Hamilton Beach Shares with addresses, as shown on its books to be, in the United States.

19. The Canadian Shareholders who receive Hamilton Beach Shares as a dividend pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-Off and the Distribution that are available to NACCO Shareholders in the United States.

20. The Distribution of Hamilton Beach Shares to the Canadian Shareholders would be exempt from the Dealer Registration and Prospectus Requirements pursuant to subsections 2.31(2) and (3) of National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") but for the fact that Hamilton Beach is not a reporting issuer under the Legislation.

21. The issuance of Hamilton Beach Class A Shares on any conversion of the Hamilton Beach Class B Shares acquired under this decision in a Jurisdiction would be exempt from the Dealer Registration and Prospectus Requirements pursuant to subsections 2.42(1)(a) and (3) of NI 45-106.

Decision

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

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

1. the first trade of Hamilton Beach Class A Shares or Hamilton Beach Class B Shares acquired under this decision in a Jurisdiction shall be deemed to be a distribution or a primary distribution to the public unless the conditions in section 2.6 or subsection 2.14(1) of National Instrument 45-102 *Resale of Securities* ("**NI 45-102**") are satisfied; and

2. the first trade of Hamilton Beach Class A Shares acquired on any conversion of Hamilton Beach Class B Shares acquired under this decision in a Jurisdiction shall be deemed to be a distribution or a primary distribution to the public unless the conditions in section 2.6 or subsection 2.14(2) of NI 45-102 are satisfied.

"Kevin J. Kelly"
Commissioner
Ontario Securities Commission

"James E. A. Turner"
Vice-Chair
Ontario Securities Commission

2.1.12 Investor Resources Group, LLC. - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 Fees

Headnote

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

Rules Cited

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

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

AND

IN THE MATTER OF
INVESTOR RESOURCES GROUP, LLC

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 Investor Resources Group, LLC (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 limited liability company under the laws of the State of Delaware in the United States. The Applicant is not a reporting issuer in any province or territory of Canada. The Applicant is seeking registration under the Act as an international adviser. The head office of the Applicant is located in Maryland.

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 would incur significant costs to set up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

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 international adviser or in an equivalent registration category;

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

July 4, 2007

"David M. Gilkes"
Manager, Registrant Regulation

2.2 Orders

2.2.1 Land Banc of Canada Inc. et al. - ss. 126, 127

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

AND

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

**ORDER
SECTION 126 and 127**

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

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

AND WHEREAS on the 23rd day of April, 2007, the Commission issued a Direction under s.126(1) of the Act to the Bank of Montreal branch at 2851 John St., in Markham, Ontario (the "BMO Markham Branch") to retain all funds, securities or property on deposit in the name of or otherwise under control of Midland at the BMO Markham Branch (the "Direction");

AND WHEREAS on the 30th of April, 2007 the Direction was continued on consent at the Superior Court of Justice (the "Court") until further notice of the Court but without prejudice to Midland to apply to the Commission to vary the Direction under s.126(7);

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

AND WHEREAS on May 8, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until May 17, 2007;

AND WHEREAS on May 17, 2007, the Commission continued the Direction with certain variations until June 29, 2007;

AND WHEREAS on May 17, 2007, the Commission continued the Temporary Order against LBC, Midland, Dolan and Lorenti with certain amendments respecting Dolan and Lorenti until June 29, 2007;

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for Dolan and Lorenti;

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

IT IS ORDERED THAT

1. the Temporary Order is continued until August 7, 2007 against LBC, Midland, Dolan and Lorenti with the following amendments respecting Dolan and Lorenti, or until further order of the Commission;

2. Dolan shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) and through a dealer registered with the Commission;

3. Lorenti shall be permitted to trade in securities listed on a recognized exchange, including mutual fund units, only in his own existing account(s) through a dealer registered with the Commission;

4. the Direction is continued until August 7, 2007 subject to the payment of expenses related to Midland approved by Staff in writing;

5. this Order shall not effect the right of LBC, Midland, Dolan and Lorenti to apply to the Commission to clarify or revoke the Temporary Order or Direction prior to August 7, 2007 upon three days notice to Staff of the Commission.

Dated at Toronto this 29th day of June, 2007

"Patrick J. LeSage"

"Suresh Thakrar"

2.2.2 New Sage Energy Corp. - s. 1(11)(b)

Headnote

Section 1(11) – order that issuer is a reporting issuer for purposes of Ontario securities law – issuer already a reporting issuer in British Columbia and Alberta – issuer's securities listed for trading on the TSX Venture Exchange – continuous disclosure requirements in British Columbia and Alberta are substantially the same as those in Ontario.

Statutes Cited

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

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

AND

IN THE MATTER OF
NEW SAGE ENERGY CORP.
(the "Applicant")

ORDER
(Clause 1(11)(b))

UPON the application (the **Application**) of New Sage Energy Corp. (the **Issuer**) for an order pursuant to clause 1(11)(b) of the Act the Issuer is a reporting issuer for the purposes of Ontario securities law;

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

AND UPON the Issuer representing to the Commission that:

1. The Issuer is a corporation incorporated on December 19, 1980 under the *Business Corporations Act* (Canada).

2. The Issuer's head office is located at 8 King Street East, Suite 810, Toronto, Ontario, M5C 1B5.

3. The authorized share capital of the Issuer consists of an unlimited number of common shares of which 20,015,264 were issued and outstanding as of June 15, 2007.

4. The Issuer has been a reporting issuer under the *Securities Act* (British Columbia) (the **BC Act**) since May 13, 1983 and under the *Securities Act* (Alberta) (the **Alberta Act**) since November 26, 1999. The Issuer is not on the list of defaulting reporters maintained pursuant to the BC Act or the Alberta Act and is not in default of any of its obligations under the BC Act or the Alberta Act.

5. The Issuer is not a reporting issuer or equivalent in Ontario or any other jurisdiction in Canada other than British Columbia and Alberta.

6. The Issuer has a significant connection to Ontario in that the head office of the Issuer is in Ontario, the President of the Issuer resides in Ontario; more than 20% of the outstanding common shares of the Issuer are held by beneficial owners who are resident in Ontario; and more than 10% of the registered and non-objecting beneficial owners of common shares of the Issuer are residents of Ontario.

7. The common shares of the Issuer are listed on the TSX Venture Exchange (the **Exchange**) under the trading symbol "NSG". The common shares of the Issuer are not traded on any other stock exchange or trading or quotation system.

8. The Issuer is not in default of any of the rules and regulations of the Exchange.

9. The Issuer is not designated as a capital pool company by the Exchange.

10. The Issuer is up to date in the filing of its financial statements and other continuous disclosure documents.

11. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

12. The continuous disclosure materials filed by the Issuer under the BC Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval (SEDAR), with July 22, 1997 being the date of the first electronic filing on SEDAR by the Issuer.

13. Neither the Issuer nor any of its officers, directors nor, to the knowledge of the Issuer, its officers and directors, any of its controlling shareholders, has:

    (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;

    (b) entered into a settlement agreement with a Canadian securities regulatory authority; or

    (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

14. Neither the Issuer nor any of its officers, directors nor, to the knowledge of the Issuer, its officers and directors, any of its controlling shareholders, is or has been subject to:

    (a) any known ongoing or concluded investigations by:

        (i) a Canadian securities regulatory authority; or

        (ii) a court or regulatory body, other than a Canadian securities regulatory authority;

    that would be likely to be considered important to a reasonable investor making an investment decision; or

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. None of the directors or officers of the Issuer, nor to the knowledge of the Issuer, its directors and officers, any of its controlling shareholders, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to:

    (a) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than thirty (30) consecutive days, within the preceding ten (10) years; or

    (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding ten (10) years.

16. The Issuer will remit all participation fees due and payable by it pursuant to Ontario Securities Commission Rule 13-502 Fees by no later than two business days from the date hereof.

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

IT IS HEREBY ORDERED pursuant to clause 1(11)(b) of the Act that the Issuer is a reporting issuer for the purposes of Ontario securities law.

DATED at Toronto this 3rd day of July, 2007.

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

2.2.3 UBS Securities LLC and Bloomberg Tradebook Canada Company - s. 144

Headnote

Application pursuant to section 144 of the Act in connection with trades in futures and options on behalf of institutional investors that are routed through the electronic order-routing system, pursuant to an order and ruling granted by the Commission to the Applicants in respect of such trades on July 5, 2005, for an order varying the prior decision.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

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

AND

IN THE MATTER OF
UBS SECURITIES LLC
AND
BLOOMBERG TRADEBOOK CANADA COMPANY

ORDER
(Section 144 of the Act)

UPON the application (the **Application**) of UBS Securities LLC (**UBS LLC**) and Bloomberg Tradebook Canada Company (**Tradebook Canada**) (the **Applicants**) to the Ontario Securities Commission (the **Commission**), in connection with trades in futures and options on behalf of institutional investors that are routed through the electronic order-routing system made available by Tradebook Canada (the **TBFO System**) and executed by UBS LLC pursuant to an order and ruling granted by the Commission to the Applicants in respect of such trades on July 5, 2005 (the **Prior Decision**), for an order varying the Prior Decision pursuant to section 144 of the Act;

AND UPON the Applicants having represented to the Commission as follows:

1. UBS LLC and certain of its affiliates other than UBS Securities Canada Inc. (collectively, **UBS**) are engaged in the business of providing execution and, unless the client has directed otherwise, clearing broker services for trades in futures and options on futures as well as options on securities and options on securities indices for clients in the United States and throughout the world. On the basis of the Prior Decision, UBS, together with Tradebook Canada, Bloomberg Tradebook LLC, and Bloomberg Tradebook (Bermuda) Ltd. (collectively, **Bloomberg Tradebook**), currently offer to Institutional Investors (as defined in Appendix 1 to the Prior Decision) in Ontario access to the TBFO System, providing an efficient and convenient means for Institutional Investors to trade in Futures and Options (each as defined in the Prior Decision) through the international brokerage services of UBS.

2. The term "Futures" is defined in paragraph 7 of the Prior Decision and explicitly excludes ME Futures. Trades in ME Futures were excluded from the scope of the relief granted in the Prior Decision because neither of the Applicants were registered as a futures commission merchant (FCM) under the *Commodity Futures Act* (Ontario) (the **CFA**).

3. Since the Applicants commenced offering the TBFO System to Institutional Investors in Ontario, significant customer demand has arisen for trading in ME Futures over the TBFO System.

4. Tradebook Canada has sought and obtained registration with the Commission as an FCM under the CFA, effective March 22, 2007.

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

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

IT IS ORDERED pursuant to section 144 of the Act that, provided that at the time the trading activity is engaged in Tradebook Canada is registered as an FCM under the CFA or any successor legislation to the CFA, the words "other than" appearing in the definition of "Futures" in paragraph 7 of the Prior Decision are replaced with the word "including" such that paragraph 7 of the Prior Decision shall now appear as follows:

> 7. UBS LLC and certain of its affiliates other than UBS Securities Canada Inc. (collectively, "UBS") are engaged in the business of providing execution and, unless the client has directed otherwise, clearing broker services for trades in futures and options on futures including futures and options on futures traded on the Bourse de Montreal (collectively, "Futures") and options on securities and options on securities indices (collectively, "Options") for clients in the United States and throughout the world.

AND IT IS ORDERED pursuant to section 144 of the Act that, provided that at the time the trading activity is engaged in Tradebook Canada is registered as an FCM under the CFA or any successor legislation to the CFA, the first sentence of paragraph 12 of the Prior Decision is replaced with the following sentence:

> 12. UBS LLC trades Futures listed on futures exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada and Options listed on options exchanges located primarily outside of

Canada and cleared through clearing corporations located primarily outside Canada.

April 17, 2007

"Robert L. Shirriff"

"Lawrence Ritchie"

2.2.4 Conning Asset Management Company - s. 147

Headnote

Application for an order pursuant to section 147 of the Act for an exemption from the requirement in section 139 of Regulation 1015 made pursuant to the Act that the Applicant deliver its audited annual financial statements to the Commission by no later than 90 days following the end of its 2006 financial year.

Statutes Cited

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

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

AND

IN THE MATTER OF
CONNING ASSET MANAGEMENT COMPANY

ORDER
(Subsection 147 of the Act)

UPON the application (the **Application**) of Conning Asset Management Company, (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 147 of the Act for an exemption from the requirement in section 139 of Regulation 1015 made pursuant to the Act (the **Regulation**) that the Applicant deliver its audited annual financial statements to the Commission by no later than 90 days following the end of its 2006 financial year.

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

AND UPON the Applicant having represented that:

1. The Applicant expects a limited delay in the ability of its auditor, Price Waterhouse Coopers, to execute the auditor's report in connection with its audit of the Applicant's annual financial statements for the financial year ended December 31, 2006.

2. The events that are the cause of this expected delay were disclosed to the Commission in the spring of 2006 and also resulted in a delay of the delivery of the Applicant's audited annual financial statements for the financial year ended December 31, 2005.

3. In April of 2006, after having discussions with the Applicant and its auditor, the Commission granted an extension to the Applicant, allowing it to deliver its audited annual financial statements by May 31, 2006.

4. The Applicant currently expects that the audit of its 2006 annual financial statements will be completed to allow for the delivery thereof on or about May 1, 2007.

AND WHEREAS the Commission is satisfied that it would not be prejudicial to the public interest to make the requested Order on the proposed basis,

IT IS ORDERED pursuant to section 147 of the Act that the Applicant is exempt from the requirement in section 139 of the Regulation that the Applicant deliver its audited annual financial statements to the Commission for its financial year ended December 31, 2006 by April 2, 2006, provided that the Applicant delivers its annual audited financial statements to the Commission by May 1, 2007.

April 24, 2007

"Wendell S. Wigle"

"Margot C. Howard"

2.2.5 Bloomberg Tradebook (Bermuda) Ltd. - s. 218 of the Regulation

Headnote

Application for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, for the Applicant to be registered under the Act as a dealer in the category of limited market dealer.

Regulation Cited

R.R.O. 1990, Regulation 1015, am. to O. Reg. 500/06, ss. 213, 218.

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

AND

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

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK (BERMUDA) LTD.

ORDER
(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a Bermuda company and is a wholly owned subsidiary of Bloomberg L.P. The head office of the Applicant is located in Hamilton, Bermuda.

2. The Applicant is registered under Section 87(2) of the *Bermuda Investment Business Act 2003* to carry on investment business in or from Bermuda.

3. The Bloomberg Tradebook System is primarily an electronic order routing system that operates as an agency broker in equity securities. Users of the Bloomberg Tradebook System may enter orders for trades in securities which are routed for execution on exchanges and marketplaces around the world. The Bloomberg Tradebook System is offered in Canada by Bloomberg Tradebook Canada Company and is made available only to investment firms and institutional investors in Ontario, and not to individual investors. Bloomberg Tradebook Canada Company acts as the "introducing broker" and currently routes participants' orders for non-U.S. based equities to G-Trade Services Ltd.

4. The Applicant proposes to assume the order routing and trade execution functions currently performed by G-Trade Services Ltd. for orders in non-U.S. equity securities entered via the Bloomberg Tradebook System. In this capacity, the Applicant would, upon receipt of a user's order in non-U.S. equity securities, provide execution of such order with the assistance of an appropriately licensed local broker. In addition, the Applicant proposes to offer electronic pairing of clients' orders for non-U.S. equity securities with corresponding contra orders in non-U.S. equity securities entered via the Bloomberg Tradebook System. In each case, upon execution, the appropriately licensed local broker and a separate clearing broker, which may be an affiliate of the Applicant, will clear and settle the trade in accordance with local legal requirements.

5. The Applicant will not take custody of any client assets. The Applicant will not exercise any investment discretion in respect of client assets.

6. The Applicant intends to apply to the Commission for registration under the Act as a dealer in the category of LMD.

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

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

9. Without the relief requested the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of a LMD, section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

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

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

3. The Applicant will not change its agent for service of process in Ontario without giving the Ontario Securities Commission 30 days' prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

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

5. The Applicant will not have custody of securities, funds, and other assets of clients resident in Ontario.

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

   (a) that it has ceased to be registered under the Bermuda Investment Business Act;

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

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

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

   (e) that any of its salespersons or officers who are registered in Ontario are the

subject of a regulatory proceeding or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

April 27, 2007

"Carol S. Perry"

"Margot C. Howard"

2.2.6 Emerald Technology Ventures AG - s. 10.1 of OSC Rule 35-502 Non Resident Advisers

Headnote

Application for a ruling pursuant to section 10.1 of Rule 35-502 – Non Resident Advisers for relief from the requirement under section 6.1 of Rule 35-502, that the Applicant, once registered as an international adviser in Ontario, only act as an adviser in Ontario for "permitted clients", as such term is defined in section 1.1 of Rule 35-502.

Rules Cited

Ontario Securities Commission Rule 35-502 – Non Resident Advisers, ss. 1.1, 6.1, 10.1.

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

AND

IN THE MATTER OF
EMERALD TECHNOLOGY VENTURES AG

ORDER
(Section 10.1 of Ontario Securities Commission Rule 35-502 *Non Resident Advisers*)

UPON the application of Emerald Technology Ventures AG (**Emerald**) to the Ontario Securities Commission (the **Commission**) for a ruling pursuant to section 10.1 of Commission Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**) for relief from the requirement under section 6.1 of Rule 35-502, that Emerald, once registered as an international adviser in Ontario, only act as an adviser in Ontario for "permitted clients", as such term is defined in section 1.1 of Rule 35-502. The relief being sought would allow Emerald to act as an adviser in respect of a portfolio of private equity investments (the **Portfolio**) held by OPG Ventures Inc. (**OPGV**), a wholly-owned subsidiary of Ontario Power Generation Inc. (**OPG**), notwithstanding that OPGV does not meet the criteria for a "permitted client" in Rule 35-502.

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

AND UPON Emerald having represented to the Commission as follows:

1. Emerald is a corporation governed by the laws of Switzerland. Its head office is located in Zurich, Switzerland.

2. Emerald is a private, independent venture capital fund focused on the rapidly emerging clean technology investment sector, and in particular innovative technologies in energy, materials and water. Its clients include leading financial institutions and multinational corporations.

3. Emerald was founded in 2007 by the nine-member management team of the private equity business of SAM Sustainable Asset Management AG (**SAM**).

4. Under a Share and Asset Purchase Agreement dated February 22, 2007 between Emerald and SAM, Emerald will acquire all the assets and liabilities of SAM's private equity business, including its mandate in respect of the Portfolio, as well as all 16 employees engaged in SAM's private equity business.

5. On April 1, 2005, SAM was granted relief from the requirement under section 6.1 of the Rule that it act as an adviser only for "permitted clients", to allow it to provide advice with respect to the Portfolio.

6. Emerald proposes to succeed SAM as adviser in respect of the Portfolio and is consequently seeking registration in Ontario as an adviser in the category of international adviser.

7. The Portfolio had a total book value of approximately $23.2 million as of December 31, 2006 and is held by OPGV, a corporation incorporated under the laws of Ontario with its head office located in Toronto.

8. OPGV is a wholly-owned subsidiary of OPG, a corporation incorporated under the laws of Ontario with its head office located in Toronto.

9. All of OPG's issued and outstanding common shares are owned by the Province of Ontario. OPG had total assets of approximately $22.75 billion and shareholders' equity of approximately $5.75 billion as of December 31, 2006.

10. OPG's principal business is the generation and sale of electricity in Ontario. OPG's electricity generating portfolio, which includes nuclear, fossil-fuel, hydroelectric and wind stations, has a total capacity of over 22,000 megawatts, making OPG one of the largest power generators in North America.

11. OPG is the sole shareholder of OPGV and the sole source of capital for OPGV. OPG assumes the full risk of the capital provided to OPGV.

12. OPGV's principal business is to provide financial returns and growth opportunities for OPG by investing in private companies, primarily in the United States and Europe, that develop or commercialize emerging energy technologies.

13. OPG provides financial reporting, accounting and cash management services for OPGV and for financial reporting purposes OPGV's results are consolidated with those of OPG.

14. All members of OPGV's board of directors are senior OPG executives and all OPGV staff are seconded OPG employees.

15. OPG separated its venture capital activities from its main business of power generation and sale to allow for streamlined decision making and ease of tracking financial returns from the venture capital investments.

16. Pursuant to section 6.1 of the Rule, if registered in Ontario as an international adviser, Emerald could act as an adviser in Ontario only for "permitted clients" as defined in section 1.1 of the Rule.

17. "Permitted clients" include corporations that have shareholders' equity of at least $100 million on a consolidated basis (the **Shareholders' Equity Requirement**).

18. Although OPG meets the Shareholders' Equity Requirement, OPGV, its wholly-owned subsidiary, does not meet this requirement.

IT IS ORDERED pursuant to section 10.1 of Rule 35-502 that Emerald, once registered in Ontario in the category of international adviser, shall be permitted to act as an adviser to OPGV in the circumstances described herein, notwithstanding the requirement under section 6.1 of Rule 35-502 that an international adviser may only act as an adviser in Ontario for "permitted clients" as defined in section 1.1 of Rule 35-502.

May 17, 2007

"David M. Gilkes"

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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
Interquest Incorporated	04 Jul 07	16 Jul 07		
Simplex Solutions Inc.	04 Jul 07	16 Jul 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
Interquest Incorporated	02 May 07	15 May 07	15 May 07	04 Jul 07	04 Jul 07
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07	28 Jun 07	
Simplex Solutions Inc.	07 May 07	18 May 07	18 May 07	04 Jul 07	04 Jul 07

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	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	04 Jul 07	04 Jul 07
Sierra Minerals Inc.	04 Apr 07	17 Apr 07	17 Apr 07	28 Jun 07	
Simplex Solutions Inc.	07 May 07	18 May 07	18 May 07	04 Jul 07	04 Jul 07
SR Telecom Inc.	05 Apr 07	18 Apr 07	19 Apr 07		
Urbanfund Corp.	07 May 07	18 May 07	18 May 07		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
VVC Exploration Corporation	04 Jun 07	15 Jun 07	15 Jun 07		

Chapter 5

Rules and Policies

5.1.1 NP 41-201 Income Trusts and Other Indirect Offerings

NOTICE

REPLACEMENT OF
NATIONAL POLICY 41-201 INCOME TRUSTS AND OTHER INDIRECT OFFERINGS

Introduction

The Canadian Securities Administrators (CSA or we), are amending National Policy 41-201 – *Income Trusts and Other Indirect Offerings* (NP 41-201).

NP 41-201 first came into effect in December 2004. On January 5, 2007, we published our proposed amended policy for a 60-day comment period. The amended policy has been, or is expected to be, adopted in all jurisdictions and will replace the December 2004 version of the policy on July 6, 2007.

This notice provides a summary of the key changes to NP 41-201, the comments we received on the proposed amended policy and the additional changes we made to the policy as a result of those comments.

Substance and purpose

We have reorganized NP 41-201 to more clearly group our guidance in the areas of distributable cash, prospectus offerings and continuous disclosure. The following is a summary of the key changes to the policy**:**

- Part 2 now focuses the guidance specifically on distributable cash. We have added guidance on distributable cash that was previously published in CSA Staff Notice 52-306 – *Non-GAAP Financial Measures* (Staff Notice 52-306) and CSA Staff Notice 41-304 – *Income Trusts: Prospectus Disclosure of Distributable Cash*, as well as other guidance about distributable cash disclosure.

- We have noted that the guidance on distributable cash applies to all disclosure about cash available for distribution, regardless of the terminology used by the issuer.

- We have noted that the guidance on disclosure of stability ratings will not apply to unsolicited stability ratings**.**

- We have provided guidance that issuers should include in their interim and annual MD&A a comparison between the expected yield figure previously disclosed and the actual yield.

- We have provided guidance on the presentation of distributable cash figures. We believe this disclosure should accompany all disclosures of distributable cash, including those contained in sales and marketing materials.

- We have clarified the content of the undertakings we expect for insider reporting and financial information of subsidiaries and the circumstances under which we expect these undertakings to be provided.

- We have clarified our expectations of MD&A disclosure of distributed cash.

- We have clarified our guidance on the disclosure of differences between corporate law protections and those provided by an issuer's declaration of trust.

Summary of written comments

We received submissions from 12 commenters during the comment period. See Appendix A for a list of the commenters and Appendix B for a summary of their comments and our responses. We would like to thank everyone who provided us with comments.

Canadian Performance Reporting Board Interpretive Release

When we published the policy for comment, we noted that the Canadian Performance Reporting Board (CPRB) of The Canadian Institute of Chartered Accountants had published for comment a draft interpretive release to the CICA publication, *Management's Discussion and Analysis: Guidance on Preparation and Disclosure*. This release provided the CPRB's views on the measurement and disclosure of distributable cash in MD&A by income trusts and other flow-through entities. We noted that we were looking forward to discussing with the CPRB the comments that they received on their draft interpretive release. We have reviewed these comments and would like to thank the CPRB for their co-operation and input.

The distributable cash guidance in this policy is intended to promote transparent disclosure for investors with respect to presentations of distributable cash. We understand that the CPRB is considering changes to its draft guidance in response to comments received and it plans to provide guidance not only on disclosure but also on a standardized measure of distributable cash derived directly from historical financial statements prepared in accordance with GAAP.

We will evaluate the form and impact of the final CPRB guidance when it is published. However, based on our current understanding of the likely content of the CPRB guidance, we believe that presentation of the standardized measure of distributable cash defined in the guidance is consistent with the objectives of the policy. Further, additional disclosure in MD&A consistent with the framework provided in the CPRB guidance would contribute to achieving the disclosure objectives of the policy.

Additional changes to the policy

After considering the comments, we made some changes to the proposed policy that was published for comment in January 2007. We do not believe these changes are material and are not republishing the policy for a further comment period. These changes are summarized in Appendix C.

If you have questions, please contact any of the following:

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July 6, 2007

Appendix A

List of commenters

	Commenter	Name	Date
1.	Standard & Poor's Canada	Kevin Hibbert	February 15, 2007
2.	Canadian Oil Sands Limited	Ryan M. Kubik	February 26, 2007
3.	The Canadian Institute of Chartered Accountants	Kevin Dancey	March 2, 2007
4.	Enerplus Resources Fund	Robert J. Waters	March 2, 2007
5.	Ontario Teacher's Pension Plan	Brian Gibson	March 6, 2007
6.	Canadian Coalition for Good Governance	David R. Beatty	March 6, 2007
7.	Torys LLP	James Scarlett	March 6, 2007
8.	Financial Executives International	Alister Cowan	March 6, 2007
9.	Pengrowth Corporation	Chris Webster	March 6, 2007
10.	Canadian Association of Income Funds	Margaret M. Lefebvre	March 6, 2007
11.	Global Financial Group	Robert Hudson	March 6, 2007
12.	ARC Resources Ltd.	John P. Dielwart	March 6, 2007

Appendix B

Summary of comments on the proposed amended NP 41-201

Item	Reference	Summarized comment	CSA response
1.	General	Two commenters suggested that the work of the CSA in the policy be made into a rule.	We have considered the comment and continue to believe that a principles-based policy approach to the regulation of income trusts and other indirect offering structures is the appropriate regulatory course and that there is currently no justification for turning the policy into a rule.
2.	General	Four commenters suggested that the same concerns being addressed by the policy should be equally applied to corporations.	We acknowledge the comment and note that the policy applies to indirect offering structures, including those in corporate form.
3.	General	Two commenters questioned whether the policy would apply to trusts that do not use non-GAAP measures such as “distributable cash”.	The presentation of non-GAAP measures, such as distributable cash, is optional disclosure for trusts. The distributable cash guidance in the policy only applies to trusts that present non-GAAP measures.
4.	Distributable Cash Part 2.1	Four commenters encouraged the CSA to incorporate the Canadian Performance Reporting Board’s (CPRB) draft interpretive release relating to the definition of distributable cash, in order to provide greater certainty and consistency with respect to the application of this concept.	We acknowledge the comment and, where appropriate, we have made changes to the policy to more closely align with the CPRB draft guidance.
5.	Distributable Cash – Part 2.1	Three commenters expressed their support for the CSA’s principles-based disclosure guidance for distributable cash. The commenters believed that a prescribed calculation for distributable cash may not be meaningful and would reduce the information’s usefulness. The commenters also believe that standardizing the concept of distributable cash would result in undue credibility on the amount and over-reliance by investors.	We acknowledge these comments and continue to believe that a principles-based policy approach to the regulation of income trusts and other indirect offering structures is the appropriate regulatory course.
6.	Distributable Cash – Part 2.1	One commenter suggested that distributable cash and distributable income should not be used interchangeably since cash and income have different meanings.	We acknowledge the comment and note that it is the responsibility of the issuer to ensure that it uses appropriate non-GAAP terminology to describe its cash available for distribution. As set out in the policy, we expect the guidance regarding distributable cash to apply to other non-GAAP terms used to describe the amount available for distribution to securityholders.
7.	Distributable Cash – Part 2.1	One commenter suggested that the use of discretionary adjustments would defeat the objective of comparability.	We acknowledge the comment and continue to believe that issuers should be permitted to make appropriate adjustments to

			the distributable cash reconciliation. We expect that if an issuer makes a discretionary adjustment to its distributable cash reconciliation, the guidance in Part 2.7 will apply.
8.	Distributable Cash – Parts 2.2, 2.4 and 2.5	Two commenters suggested that income trusts should not discuss "cash available for distribution", but rather only "cash distributed", and focus on key financial measures such as "net income" and "cash flow". If distributable cash is to be provided, then the calculation would be derived from and reconciled to the GAAP financial statements and combined with disclosure containing a discussion of the reasons for, and the difference between distributable cash and the actual cash distributions paid.	We agree and have recommended in Part 6.5.2 that issuers provide a summary of actual cash distributions paid as compared to net income and cash flows from operating activities. We believe that a summary of the main elements of a trust's performance will assist investors in assessing the financial condition of the trust and, in turn, the sustainability of the trust's distributions. A discussion of the reasons for the difference between distributable cash and actual distributions paid should accompany the summary.
9.	Distributable Cash – Part 2.3	One commenter suggested that income trusts should fully disclose their distribution policies, including any amount of distributable cash retained in a reserve fund for future distributions, and that there should be a commentary on how the reserve fund is maintained, how it is funded and whether there has been any past usage of the fund.	We have considered this comment and are of the view that the provisions of item 1.6 – Liquidity of Form 51-102F1 MD&A would generally require this information to be disclosed in the MD&A.
10.	Distributable Cash – Part 2.6	One commenter stated that cash flows from operating activities before non-cash working capital is a more appropriate and widely used measure for comparison with distributed cash than cash flows from operating activities including changes in non-cash working capital.	We believe a distributable cash reconciliation should begin with cash flows from operating activities; a figure that can be derived from an issuer's GAAP financial statements. "Cash flows from operating activities before non-cash working capital" is not a recognized GAAP measure.
11.	Distributable Cash – Part 2.7	One commenter suggested that the proposal to discuss the work done by the issuer to ensure the completeness and reasonableness of the disclosure may not be practical or useful.	We disagree. Disclosure about what was done to support an underlying assumption for a reconciling adjustment is important information for investors.
12.	Distributable Cash – Part 2.7	Two commenters suggested that the proposals in sections 2.6 and 2.7 which suggest that issuers provide information allowing investors to anticipate distributable cash amounts and the sustainability of distributions is akin to asking issuer to prepare a forecast. For example, the statement under section 2.7 that the determination of distributable cash uses "supportable assumptions given management's judgement about the most probable set of economic conditions" implies that management has an ability to forecast such economic	We disagree. The disclosure expectations in sections 2.6 and 2.7 of the policy are consistent with our expectations for other types of forward-looking information. We strongly believe issuers and their management are in the best position to evaluate and discuss events or conditions that are likely

		conditions. Further, a requirement to "disclose all factors, events or conditions that are likely to occur in the future that may impact the sustainability of future distributions" would be very difficult for any management team to achieve.	to occur in the future that may impact the sustainability of distributions.
13	Distributable Cash – Part 2.7	One commenter suggested that information relating to provisions that stipulate when an original vendor's entitlement to distributions ceases to be subordinated is important because these provisions affect the amount of future distributions.	We acknowledge this comment and note that this information is generally disclosed in the IPO prospectus and the material contracts filed with the IPO. We are of the view that the provisions of item 1.6 – Liquidity of Form 51-102F1 MD&A require this information to be disclosed in the MD&A.
14.	Distributable Cash – Maintenance of Productive Capacity	One commenter suggested that the concept of "maintenance of productive capacity" must take into account that the cyclical nature of commodity prices influences the investment decision process of natural resource based income trusts.	We acknowledge this comment and note that the particular variables underlying the concept of "maintenance of productive capacity" may vary from issuer to issuer. Our intent is that issuers consider their particular situation when applying this concept.
15.	Distributable Cash – Maintenance of Productive Capacity	One commenter suggested that practical limitations exist in determining a distributable cash adjustment for maintenance of productive capacity. The commenter suggested that requiring disclosure about potential commitments for replacing and maintaining capital assets is not sufficient to result in a meaningful discussion of an entity's productive capacity maintenance strategy.	We acknowledge this comment and as a result, did not prescribe how issuers should calculate their distributable cash adjustment to maintain productive capacity. We expect issuers to have extensive knowledge about the operations of their underlying entities and to be able to reasonably determine their current and future cash needs to maintain productive capacity. This determination will likely vary from trust to trust and may be based on actual capital expenditures incurred in prior periods.
16.	Material Debt Part 3 – A.	One commenter suggested that the debt disclosure would be enhanced by including disclosure of how much of the debt is secured and what assets have been pledged as security, and what entity level the debt is being issued at. On an ongoing basis, disclosure of covenants and how the trust is performing relative to each measure is important.	Details about debt are generally disclosed in the IPO prospectus and in the material contract(s) relating to the debt. We have considered the comment about ongoing covenant disclosure and are of the view that the provisions of item 1.6 – Liquidity of Form 51-102F1 MD&A generally require similar information to be disclosed in the MD&A.
17.	Material Debt Part 3 – A.	One commenter suggested that a separate category on SEDAR be included to identify material contracts.	SEDAR currently has a category for material contracts called "Other – material contract(s)".

18.	Material Debt Part 3 – A.	One commenter suggested that debt obligations also be disclosed in the annual proxy circular in situations where debt covenants are in danger of being breached.	We disagree. We believe that this information is more appropriately disclosed in the MD&A and/or in a material change report (Form 51-102F2), if applicable.
19.	Material Debt Part 3 – A.	One commenter suggested that debt agreements are normal course contracts and that they need not be filed on SEDAR. The filing of these agreements can confuse and overwhelm the reader, and these agreements often contain confidentiality conditions imposed by lenders.	We disagree. We continue to believe that, in most cases, agreements relating to the material debt that have been negotiated with a third-party lender other than the issuer will be material contracts under Rule 41-501 and NI 51-102 (or their respective successors) if terms of those agreements have a direct correlation with the anticipated cash distributions.
20.	Stability Ratings Part 3 – B.	One commenter suggested that unsolicited stability ratings be disclosed with the fact that they were unsolicited, and that the disclosure of the source of the rating may be useful. Another commenter suggested that if a poor stability rating has been received, the rating should also appear in the annual proxy circular.	We disagree. We believe that imposing an obligation on issuers to disclose unsolicited stability ratings is not currently justified. Management will not have been involved in preparing the rating and may not even know that a stability rating had been determined. We also disagree that stability ratings be disclosed in annual proxy circulars. We continue to believe that solicited stability ratings should be disclosed in prospectuses and AIFs.
21.	Executive Compensation Part 3 – C.	One commenter suggested that management contracts and incentive plans need not be filed on SEDAR if the key details are adequately disclosed elsewhere.	We continue to believe that management contracts and management incentive plans that contain terms which impact distributable cash are material contracts and should be filed on SEDAR.
22.	Executive Compensation Part 3 – C.	One commenter suggested that any management contract of the operating entity should be disclosed on SEDAR and either referenced or disclosed in the proxy circular.	We currently expect management contracts and management incentive plans that may have an impact on distributable cash to be filed on SEDAR. We also expect these plans to be disclosed in the prospectus. We note that disclosure of these contracts is also currently required by Form 51-102F5 – *Information Circular* (Item 13). We note that disclosure of provisions related to external management companies is currently required by Form 51-102F6 – *Statement of Executive Compensation* (Item 1.4(e)).

23.	Executive Compensation Part 3 – C.	One commenter suggested that the compensation of the top five paid named executive officers should be disclosed, whether or not they function at the operating or issuer level.	We believe that the existing rules about disclosure of executive compensation will require the disclosure suggested by this comment. We note that proposed amendments to Form 51-102F6 – *Statement of Executive Compensation*, which are consistent with Part 3 of the policy, are currently out for comment.
24.	Offering Specific Issues – Part 4	One commenter suggested that requiring issuers to file the full details of valuations in the context of acquisitions would put them at a competitive disadvantage relative to non-trust issuers because confidential details about earnings estimates, synergies, etc. would be required to be disclosed.	We acknowledge the comment and have removed the expectation that issuers file the valuation report on SEDAR.
25.	Offering Specific Issues – Parts 4.3, 4.4, 4.5 and 4.5.2	Two commenters stated that many income trusts are acquisitive by nature and expressed concern that the regulator might require the vendor to certify the prospectus disclosure of a trust issuer. Such a requirement would restrict the ability of trusts to make acquisitions and place them at a major competitive disadvantage.	We acknowledge this comment. Currently, vendors are required to certify the prospectus only if they would otherwise be promoters or if it is necessary in the public interest. Proposed National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) includes proposals regarding certification requirements for prospectuses generally. The proposed NI 41-101 was published for comment on December 21, 2006. We do not propose changing the existing guidance in the policy at this time and have referred this comment to the CSA Committee responsible for NI 41-101. NP 41-201 may be amended to reflect the conclusions reached with respect to NI 41-101.
26.	Promoter Liability – Part 4.4	One commenter suggested that the lack of clarity of the terms “selling securityholder” and “promoter” is problematic. The concept under section 4.4 that the formation of an income trust itself constitutes the party as a promoter of the business of the income trust issuer strains the common sense understanding of “promoter” and is inconsistent with the remainder of the policy which focuses on the underlying operating entity as the business of substance. As a result of the October 31, 2006 federal government announcement on income trusts, the commenter believes that it is unlikely that any new income trusts will be created, and as a result the promoter analysis under section 4.4 will have no further application.	We acknowledge this comment. Proposed National Instrument 41-101 *General Prospectus Requirements* (NI 41-101) includes proposals regarding certification requirements for prospectuses generally. The proposed NI 41-101 was published for comment on December 21, 2006. We do not propose changing the existing guidance in the policy at this time and have referred this comment to the CSA Committee responsible for NI 41-101.

		The commenter suggested that current attempts to stretch the application of the promoter rules should be put aside in favour of developing a new and more flexible rule that addresses what might more fairly be called "selling securityholder" liability.	NP 41-201 may be amended to reflect the conclusions reached with respect to NI 41-101.
27.	Sales and Marketing Materials – Part 5	Three commenters suggested that income trusts should refrain from using the term "yield" due to its association with fixed income investments and instead use "return on capital" and "return of capital". Another commenter suggested that since yields are determined by the distributions and the market price of the security and because the market price is determined by factors that are outside the influence of the issuer, it is inappropriate for issuers to comment on their yield.	We expect trusts that use the term "yield" to comply with the guidance set out in Part 5 including supplemental disclosure distinguishing units from a fixed income security. As discussed in Part 5.1, we believe is important for the issuer to disclose whether it has made all distributions necessary to achieve the previously stated "yield" figure.
28.	Continuous Disclosure – Part 6	One commenter suggested that disclosing economic return of capital would require complex explanation of these concepts which would result in a discussion that is not meaningful or useful.	We disagree. We believe it is important for investors to be aware that a portion of distributions received may represent a repayment of their principal investment. This disclosure will assist investors in assessing the sustainability of distributions.
29.	Continuous disclosure – Maintenance Capital	One commenter suggested that the deduction of "maintenance capital" is extremely difficult to derive for energy trusts. The commenter suggested making the disclosure of "maintenance capital" voluntary for trusts that claim they have a sustainable business model.	We agree with the first comment and have made corresponding changes to Part 2.6 of the policy. We disagree with the second comment. We believe that adjustments for capital expenditures, whether to maintain productive capacity of the issuer or otherwise, should be included in an issuer's distributable cash reconciliation. We expect issuers that do not claim to have a sustainable business model to adequately disclose this fact and its implications.
30.	Continuous Disclosure – Part 6.5.2	Several commenters suggested that there should be a clear distinction made between distributions classified as "return on capital" and distributions classified as "return of capital".	We acknowledge the comment. However, we understand that there are practical limitations that may prevent trusts from making a clear distinction between distributions that are a "return on capital" or a "return of capital" for tax purposes. Despite this limitation, if an issuer's distributed cash, at the end of a period exceeds either its cash flows from operating activities or net income, it should consider whether the excess distributions represent an economic return of

			capital. When distributions paid represent an economic return of capital, we expect issuers to include disclosure stating this and to discuss the impact on future distributions.
31.	Continuous Disclosure – Part 6.5.2	One commenter suggested that including net income as one of the measures in the table in the proposal seemed inconsistent with the earlier assertion that distributable cash is more closely aligned to cash flow from operations.	We did not intend to imply that net income was a more closely aligned measure to distributable cash than cash flows from operating activities. Net income is another performance indicator that will assist investors in assessing the financial condition of the trust and, in turn, the sustainability of the trust's distributions.
32.	Continuous Disclosure – Part 6.5.2	One commenter suggested that the discussion of cash flow from operating activities compared to net income is not indicative of the productive capacity of an oil and gas trust since net income includes non-cash items such as future income tax and depletion, depreciation, amortization and accretion (DDA&A). DDA&A is based on historical costs of property, plant and equipment and not the fair market value of replacing those assets in the current environment.	The primary goal of the table in Part 6.5.2 is to show the relationship between the GAAP figures for cash flows from operating activities and net income and historical distributed cash figures. This table and the accompanying disclosure were not intended to indicate the productive capacity of an issuer. If applicable, we expect a discussion of productive capacity to be provided with the issuer's distributable cash reconciliation.
33.	Continuous Disclosure – Part 6.5.2	One commenter suggested that the concept of providing investors with "information about the sources of the distributed cash that they receive, including whether an issuer borrowed amounts to finance distributions" is an exercise in futility since the allocation of cash to specific sources is arbitrary.	Existing MD&A disclosure requirements for liquidity and capital resources under NI 51-102F1 sections 1.6 and 1.7 give the reader an understanding of the issuer's overall operating and capital requirements compared to their available sources of funding. However, we believe it is important to highlight for the reader cases where cash distributions exceed cash flow from operating activities and to explain how the distributions were funded.
34.	Continuous Disclosure – Part 6.5.2	One commenter suggested that the proposed tabular format does not provide additional useful information since all of this quantitative information can be obtained from an issuer's GAAP financial statements.	We acknowledge this comment. However, we believe providing additional prominence to specific financial indicators is useful information for investors.
35.	Corporate Governance – Part 7	One commenter suggested that information comparing the rights of unitholders of a trust to the rights of corporate shareholders should be included in the proxy	We acknowledge this comment and note that we expect disclosure to be provided in the annual

		circular.	information form under the requirements of Item 15.1 of Form 51-102F2. We also note that this information is generally available in the IPO prospectus and in the material contract filed on SEDAR, which sets out the rights of securityholders.
36.	Corporate Governance – Part 7	One commenter suggested that operating entities, in addition to issuers, disclose how they will discharge their governance responsibilities.	Part 7 of the policy contains our expectation that the issuer disclose how the issuer and the operating entity will satisfy governance responsibilities.

Appendix C

Summary of Changes

The following summarizes the changes to the policy from the version published for comment on January 5, 2007.

- *Valuation reports:* In Part 4.1 we have deleted the expectation that, if a third-party valuation is obtained in an initial public offering, the valuation report should be filed on SEDAR.

- *Capital adjustments:* In Part 2.6 we have clarified the guidance to note that an issuer that does not intend to sustain the business of its operating entity going-forward (for example, in the case of depleting assets) should clearly state this in its distributable cash reconciliation.

We further clarified the guidance in this part to note that capital adjustments may be based on actual capital expenditures.

NATIONAL POLICY 41-201
INCOME TRUSTS AND OTHER INDIRECT OFFERINGS

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NATIONAL POLICY 41-201
INCOME TRUSTS AND OTHER INDIRECT OFFERINGS

Part 1 – Introduction

1.1 What is the purpose of the policy?

It is a fundamental principle that everyone investing in securities should have access to sufficient information to make an informed investment decision. The Canadian Securities Administrators (the CSA or we) believe that there are distinct attributes of an investment in income trust units that should be clearly disclosed.

Within our securities regulatory framework, raising capital in the public markets results in certain rights and obligations attaching to issuers and investors. We believe that it would be beneficial to express our view in a policy about how the existing regulatory framework applies to non-corporate issuers (such as income trusts) and to indirect offering structures in order to minimize inconsistent interpretations and to better ensure that the principles underlying the requirements are preserved. Our concerns relate to the quality and nature of prospectus and continuous disclosure, accountability for prospectus disclosure and liability for insider trading. We have drafted a policy rather than a rule because we believe that the existing regulatory requirements capture the necessary regulatory outcomes relating to income trusts and other indirect offering structures. Our goal is to provide guidance and recommendations about how income trusts and other indirect offering structures fit within the existing regulatory requirements rather than create new regulatory requirements for income trusts and other indirect offering structures. We also identify factors that relate to the exercise of the regulator's discretion in a prospectus offering.

This policy provides guidance and clarification by all jurisdictions represented by the CSA. The guidance generally relates to the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* and the prospectus requirements in each jurisdiction. Although the primary focus of this policy is on income trusts, we believe that much of the guidance and clarification that we provide is useful for other indirect offering structures. As well, the guidance may apply more generally to issuers that offer securities which entitle holders of those securities to net cash flow generated by the issuer's business or its properties. We provide guidance about prospectus disclosure and prospectus liability to minimize situations where staff might recommend against issuance of a receipt for a prospectus where it would appear that the offering may be contrary to the public interest due to insufficient disclosure, the structure of the offering, or other factors.

Although the focus of this policy is on the income trust structure in the context of offerings by way of prospectus, these principles also apply to income trust structures in other contexts, such as the reorganization of a corporate entity into a trust. Although an offering document is not prepared in a reorganization, we expect that the information circular provided to relevant security holders, and that contains prospectus-level disclosure, will follow the principles set out in this policy. In addition when we are determining whether to grant exemptive relief to an income trust issuer in connection with a reorganization or other similar transaction, we will consider the principles described in Part 3 of this policy.

This policy may also apply to income trusts in the fulfillment of their continuous disclosure obligations.

1.2 What do we mean when we refer to an income trust in this policy?

When we refer to an income trust or issuer in this policy, we are referring to a trust or other entity (including corporate and non-corporate entities) that issues securities which provide for participation by the holder in net cash flows generated by: (i) an underlying business owned by the trust or other entity, or (ii) the income-producing properties owned by the trust or other entity. This includes business income trusts, real estate investment trusts and royalty trusts. In our view, this does not include an entity that falls within the definition of "investment fund" contained in National Instrument 81-106 *Investment Fund Continuous Disclosure*, or an entity that issues asset-backed securities or capital trust securities.

1.3 What is an operating entity?

In the most basic income trust structure, the operating entity is: (i) a subsidiary of the income trust with an underlying business, or (ii) income-producing properties owned directly by the income trust. In more complex structures, there may be a number of intervening entities above the operating entity. Generally, the operating entity is the first entity in the structure that has an underlying business that generates cash flows. There may be more than one operating entity in the income trust structure.

In addition to identifying the operating entity, it is also important to understand the operating entity's business. In some cases, its business is to own, operate and produce revenues from its assets. In other cases, its business is to own an interest in a joint venture or to derive a revenue stream from holding a portfolio of investments or financial instruments.

1.4 How is an income trust structured?

Typically, an income trust holds a combination of debt and equity or royalty interests in an entity owning or operating a business. Net cash flows generated by the operating entity's business are distributed to the income trust. The income trust then distributes some or all of that cash flow to its investors (referred to as unitholders or investors).

1.5 What is an income trust offering?

In a typical income trust offering, an income trust is created to distribute units to the public. The income trust then uses the proceeds from the offering to acquire debt and equity or royalty interests in the operating entity, or interests in income producing properties. We view the income trust offering as a form of indirect offering. Instead of offering their securities directly to the public, the vendors sell their interests in the operating entity to the income trust. The income trust purchases those interests with proceeds that it raises through its offering of units to the public. The interests in the operating entity that the income trust acquires are thus indirectly offered to the public. Through their direct investment in units of the income trust, unitholders hold an indirect interest in the operating entity.

By issuing units under a prospectus, the income trust becomes a reporting issuer (or equivalent) under applicable securities laws. The operating entity typically remains a non-reporting issuer.

1.6 How does an indirect offering differ from a direct offering?

In a conventional direct offering, interests in the operating entity are offered to the public through a public distribution of the operating entity's securities. By contrast, in an indirect offering, interests in the operating entity are not offered directly to the public but are instead acquired by a separate entity (for example, an income trust or its subsidiary). The securities of this separate entity, such as units of a trust, are offered to the public under a prospectus. The issuer applies the proceeds of the offering to satisfy the purchase price of the interests in the operating entity.

In a direct initial public offering, an issuer may choose to finance the acquisition of another business with proceeds raised under the offering. In that scenario, the issuer and the vendors of the business are generally arm's length parties. This differs from the structure of an indirect offering, such as the initial public offering by most income trusts, where the income trust and the vendors of the business are not arm's length parties.

In an indirect offering, the vendors negotiate the terms of the purchase of the business by the income trust, and are also involved in the negotiation of the terms of the public offering with the underwriter(s).

If vendors initiate or are involved in the initial public offering process, we believe that they are effectively accessing the capital markets themselves. We consider them to be non-arm's length vendors. This fact gives rise to the concerns that we describe in Part 4. Non-arm's length vendors that are involved in a follow-on offering are also effectively accessing the capital markets through an indirect offering, and the concerns that we describe in Part 4 are equally applicable.

Part 2 – Distributable cash

2.1 What is distributable cash?

Distributable cash is a non-GAAP measure that generally refers to the net cash generated by the income trust's businesses or assets that is available for distribution, at the discretion of the income trust, to the income trust's unitholders. Some issuers have referred to this net cash available for distribution by a non-GAAP term other than distributable cash. In this policy the guidance about "distributable cash" also applies to such other non-GAAP terms used to describe the amount available for distribution to an income trust's or other indirect offering structure's securityholders (e.g. distributable income).

The cash that is available to an income trust for distribution per unit varies with the operating performance of the income trust's business or assets, its capital requirements, debt obligations and the number of units outstanding.

Income trust distributions are, for Canadian tax purposes, composed of different types of payments that are referred to as "returns on capital" or "returns of capital." These terms are also used more generally, to make an economic rather than a tax-driven distinction. The underlying concern is that the amount of cash distributed by an income trust may sometimes be greater than what it can safely distribute without eroding its productive capacity and threatening the sustainability of its distributions. In this situation, the "excess" amount of the distribution may be regarded as an economic "return of capital." We are concerned that disclosure by income trusts has not always been sufficiently plain to allow an investor to assess whether a possible concern exists in this respect.

Please refer to subsection 6.5.2 for guidance on how issuers can address these concerns.

2.2 Do income trusts provide investors with a consistent rate of return?

No. In many ways, investing in an income trust is more like an investment in an equity security rather than in a debt security. A fundamental characteristic that distinguishes income trust units from traditional fixed-income securities is that the income trust does not have a fixed obligation to make payments to investors. In other words, it has the ability to reduce or suspend distributions if circumstances warrant (see section 2.3 below for further details). In contrast to a traditional fixed-income security, the trust's ability to consistently make distributions to unitholders is closely tied to the operations of the operating entity or the performance of the income trust's assets. The performance of the operating entity may fluctuate from period to period, which might impact both the distributions paid and value of the issuer's units.

Unlike an issuer of a fixed-income security, an income trust does not promise to return the initial purchase price of the unit bought by the investor on a certain date in the future. Investors who choose to liquidate their holdings would generally do so by selling their unit(s) in the market at the prevailing market price.

In addition, unlike interest payments on an interest-bearing debt security, income trust cash distributions are, for Canadian tax purposes, composed of different types of payments (portions of which may be fully or partially taxable or may constitute tax-deferred returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax return to investors. Therefore, a unitholder's rate of return over a defined period may not be comparable to the rate of return on a fixed-income security that provides a "return on capital" over the same period. This is because a unitholder in an income trust may receive distributions that constitute a "return of capital" to some extent during the period. Returns on capital are generally taxed as ordinary income or as dividends in the hands of a unitholder. Returns of capital are generally tax-deferred (and reduce the unitholder's cost base in the unit for tax purposes).

2.3 How do the distribution policies of the income trust and the operating entity affect an investor's rate of return?

The distribution policy of the income trust generally stipulates that payments that the income trust receives from the operating entity (such as interest payments on the debt and dividends paid to common shareholders) will be distributed to unitholders. The distribution policy of the operating entity will generally stipulate that distributions to the income trust will be restricted if the operating entity breaches its covenants with third-party lenders (such as covenants requiring the operating entity to maintain specified financial ratios or to satisfy its interest and other expense obligations). Other operating entity obligations such as funding employee incentive plans or funding capital expenditures will frequently rank in priority to the operating entity's obligations to the income trust. In addition, the operating entity, or the income trust, might retain a portion of available distributable cash as a reserve. Funds in this reserve may be drawn upon to fund future distributions if distributable cash generated is below targeted amounts in any period.

2.4 What prospectus cover page disclosure do we expect about distributable cash?

To ensure that the information described in sections 2.1, 2.2 and 2.3 is adequately communicated to investors, we recommend that issuers consider including language substantively similar to the following on the prospectus cover page:

> A return on your investment in ● is not comparable to the return on an investment in a fixed-income security. The recovery of your initial investment is at risk, and the anticipated return on your investment is based on many performance assumptions. Although the income trust intends to make distributions of its available cash to you, these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors including: [insert a discussion of the principal factors particular to this specific offering that could affect the predictability of cash flow to unitholders]. In addition, the market value of the units may decline if the income trust is unable to meet its cash distribution targets in the future, and that decline may be significant.
>
> It is important for you to consider the particular risk factors that may affect the industry in which you are investing, and therefore the stability of the distributions that you receive. See, for example, ***, under the section "Risk Factors" [insert specific cross-reference to principal factors that could affect the predictability of cash flow to unitholders]. That section also describes the issuer's assessment of those risk factors, as well as the potential consequences to you if a risk should occur.
>
> The after-tax return from an investment in units to unitholders subject to Canadian income tax can be made up of both a return on and a return of capital. That composition may change over time, thus affecting your after-tax return. [If a forecast has been prepared, include specific disclosure about the estimated portion of the investment that will be taxed as a return on capital and the estimated portion that will be taxed as return of capital. If the issuer cannot estimate the portion that will be a return of capital, state that it is unable to reasonably estimate the return of capital on anticipated distributions, and that this amount might vary materially from period to period.] Returns on capital are generally taxed as ordinary income or as dividends in the hands of a unitholder. Returns of capital are generally tax-deferred (and reduce the unitholder's cost base in the unit for tax purposes).

2.5 What disclosure do we expect about non-GAAP financial measures such as distributable cash?

Under GAAP, an income trust must disclose the cash distributed to unitholders in its financial statements. In addition to GAAP disclosure, income trusts generally also include disclosure about historical distributable cash figures in continuous disclosure documents and estimated distributable cash in their prospectuses. Because distributable cash is a non-GAAP financial measure, an income trust's distributable cash disclosure should include a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

We have concluded that distributable cash is a cash flow measure, not an income measure. Therefore, distributable cash is fairly presented only when reconciled to cash flows from operating activities as presented in the income trust's financial statements. For clarity, cash flows from operating activities includes changes during the period in non-cash working capital balances.

Issuers should define any non-GAAP financial measure and explain its relevance to ensure it does not mislead investors. Issuers presenting non-GAAP financial measures should present those measures on a consistent basis from period to period. Specifically, in respect of distributable cash, income trusts should:

(i) state explicitly that distributable cash does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other issuers;

(ii) present cash flows from operating activities with equal or greater prominence than distributable cash;

(iii) explain why distributable cash provides useful information to investors and how management uses distributable cash as a financial measure;

(iv) provide a clear quantitative reconciliation from distributable cash to cash flows from operating activities, and refer to the reconciliation where distributable cash first appears in the disclosure document; and

(v) explain any changes in the composition of distributable cash when compared to previously disclosed measures.

2.6 What are our expectations about the format of the distributable cash reconciliation?

When presenting a reconciliation of distributable cash, income trusts should discuss any adjustments included in the reconciliation and these adjustments should be grouped separately based on the nature of the adjustment. In addition, income trusts should avoid the use of non-GAAP income measures in the reconciliation of distributable cash. For example, it is inappropriate to include non-GAAP measures such as EBITDA, Adjusted EBITDA, and Pro Forma Net Income in the distributable cash reconciliation.

An issuer might group adjustments to cash flows from operating activities included in a reconciliation of distributable cash as follows:

a. Capital adjustments – Adjustments for capital expenditures, whether to maintain productive capacity of the issuer or otherwise, should be included here and may be based on actual capital expenditures. An issuer that does not intend to maintain productive capacity (for example, in the case of depleting assets) should clearly state this in its distributable cash reconciliation.

   Other examples of adjustments that might be included in this section include provisions for maintaining or replacing mineral reserves.

   An issuer may include within this grouping a sub-total of cash flows from operating activities after deducting capital expenditures incurred during the period.

b. Non-recurring adjustments – Generally, an item is considered non-recurring if a similar charge or gain is not reasonably likely to occur within the next two years or if it has not occurred during the prior two years. An example of a non-recurring item is a payment in connection with litigation or a penalty that was levied in the current year and is not expected to be incurred going forward.

c. Other adjustments including discretionary items – We recognize that, in limited circumstances, certain adjustments may not properly be classified as non-recurring or capital adjustments. Some examples of such adjustments include amounts for asset retirement obligations or external restrictions imposed on the issuer that limit their ability to pay distributions. Where an adjustment is discretionary in nature, we expect income trusts to clearly explain the basis for inclusion of the adjustment and any underlying assumptions which are being relied upon.

2.7 What disclosure do we expect about the adjustments and assumptions underlying distributable cash?

Income trusts should consider how best to provide transparency about the presentation of each adjusting item included in a reconciliation of distributable cash, including a discussion of the work that was done by the issuer to ensure the completeness and reasonableness of the information.

Generally, to achieve acceptable transparency, the reconciliation of distributable cash to cash flows from operating activities should be accompanied by detailed disclosure that:

(i) explains the purpose and relevance of the distributable cash information;

(ii) describes the extent to which actual financial results are incorporated into the reconciliation;

(iii) explicitly states that the reconciliation has been prepared using reasonable and supportable assumptions, all of which reflect the income trust's planned courses of action given management's judgment about the most probable set of economic conditions; and

(iv) cautions investors that actual results may vary, perhaps materially, from the forward-looking adjustments.

Further adjustments made in the reconciliation of distributable cash to cash flows from operating activities should be supported by:

(i) a detailed discussion of the nature of the adjustments;

(ii) a description of the underlying assumptions used in preparing each element of the forward-looking information and the forward-looking information as a whole, including how those assumptions are supported; and

(iii) a discussion of the specific risks and uncertainties that may affect each individual assumption and that may cause actual results to differ materially from the distributable cash figure.

For assumptions to be supportable, they should take into account the past performance of the underlying operating entity, the performance of other entities engaged in similar activities, and any other sources that provide objective corroboration of the assumptions used. Further, for assumptions to be considered reasonable, we believe that they should be consistent with the anticipated plans of the income trust.

In some circumstances, assumptions may be consistent with the issuer's anticipated plans but may not provide an adequate level of transparency about the sustainability of distributable cash. It is important for income trusts to disclose all factors, events or conditions that are likely to occur in the future that may impact the sustainability of future distributions.

For example, capital expenditures to replace productive capacity may be relatively low in initial years but may rise significantly in later years. In these instances, adequate disclosure of the adjustment for estimated future capital maintenance expenditures might include a discussion of the time period over which the income trust anticipates incurring capital maintenance expenditures at the level disclosed and any expected long-term plans to replace productive capacity. A clear and complete explanation should be provided of the reasons why these provisions will be adequate to cover future capital requirements and why these amounts vary from historical amounts, if applicable.

Another example of providing adequate transparency about the sustainability of distributable cash relates to instances where an issuer makes prior arrangements with investors. For example, for some income trusts, the original vendors' entitlement to cash distributions based on their continuing interest is subordinated to that of other investors. The original vendors will not receive cash distributions for a defined period of time if the estimated level of distributable cash disclosed in the prospectus is not achieved. Distributable cash available for distribution to other investors may be higher in the short term while cash distributions are not paid to the original vendors, but may decrease once the subordination conditions are satisfied. In these instances, the key terms and impact of these arrangements should be summarized in proximity to the distributable cash information.

2.8 When should the estimate of distributable cash be derived from a forecast?

If estimated distributable cash information contained in a prospectus includes forward-looking adjustments that are based on significant assumptions, as defined in the CICA Handbook, and those adjustments materially affect estimated distributable cash, the quantitative reconciliation should begin with cash flows from operating activities derived from a forecast prepared in accordance with CICA Handbook section 4250 – *Future-Oriented Financial Information* (S.4250 forecast). These forward-looking adjustments should be integrated into the S.4250 forecast, and the S.4250 forecast should be included in the prospectus.

A S.4250 forecast may not be necessary if the adjusting items are derived from historical amounts and the adjusting items can be adequately explained by alternative disclosures. Alternative disclosures may include:

(i) historical financial statements that support the adjustments. In some cases, a recent acquisition may not be considered significant under the significant acquisition tests set out in OSC Rule 41-501 *General Prospectus Requirements* (Rule 41-501) (or its successor) or the equivalent rule in the applicable jurisdiction for purposes of providing financial statements of the acquired entity. However, the acquisition's anticipated impact on distributable cash may be material. In these cases, income trusts may choose to provide financial statements of the acquired entity in the prospectus in addition to those required by Rule 41-501, and, when appropriate, to incorporate these financial statements into pro forma financial statements of the issuer; or

(ii) other historical financial information that supports the calculation of the adjustments.

In some cases, distributable cash disclosure may contain adjusting items that are based on recent contracts or agreements for which historical financial statements or other historical financial information is not available. In these cases, issuers may instead disclose a detailed description of the contract or agreement including the relevant terms and conditions of the contractual commitment and any other financial information that supports the amount of the adjusting item.

Part 3 – Other disclosure issues

A. Material debt

3.1 Why are we concerned about material debt?

We are concerned about debt obligations that are incurred by the operating entity or other entity that rank before unitholders' entitlement to receive cash distributions. Although many non-income trust issuers have similar, or less conservative, capital structures, we are particularly concerned about the sensitivity of income trusts to cash flows. Specifically, we are concerned about reductions in distributions that might arise from increases in interest charges on floating-rate debt, a breach of financial covenants, a refinancing on less advantageous terms, or a failure to refinance.

3.2 What disclosure do we expect about material debt?

The principal terms of the material debt should be included in an income trust prospectus and in the income trust's Annual Information Form (AIF) filed under National Instrument 51-102 *Continuous Disclosure Obligations*, or its successor (NI 51-102). This would include the following information about the debt:

(i) the principal amount and the anticipated amount to be outstanding when the offering is closed,

(ii) the term and interest rate (including whether the rate is fixed or floating),

(iii) the terms on which the debt is renewable, and the extent to which those terms could have an impact on the ability to distribute cash,

(iv) the priority of the debt relative to the securities of the operating entity held by the income trust,

(v) any security granted by the income trust to the lender over the operating entity's assets, and

(vi) any other covenant(s) that could restrict the ability to distribute cash.

3.3 Are agreements relating to the material debt considered to be material contracts of the income trust?

We consider that in most cases, agreements relating to material debt that have been negotiated with a lender other than the income trust, will be material contracts pursuant to Rule 41-501 and NI-51-102 (or their respective successors) if those agreements have a direct correlation with the anticipated cash distributions. For example, distributions from the operating entity to the income trust may be restricted if the operating entity fails to maintain certain covenants under a credit agreement. If the agreement contains terms that have a direct correlation with the anticipated cash distributions, and will be entered into on or about closing, it should be listed as a material contract in the prospectus and AIF. We also expect a copy of the material agreement and any amendments to be filed on SEDAR.

3.4 Do we expect the income trust to include a separate risk factor about the material debt?

Yes. We expect the income trust to include a separate risk factor about the material debt in the income trust's prospectus and AIF. A full and complete discussion of this risk factor would usually include the following:

(i) the need for the borrower to refinance the debt when the term of that debt expires,

(ii) the potential negative impact on the ability of the issuer and/or its subsidiaries to make distributions if the debt is replaced by new debt that has less favourable terms,

(iii) the impact on distributable cash if the borrower cannot refinance the debt, and

(iv) the fact that the ability of the operating entity to make distributions, directly or indirectly, to the income trust may be restricted if the borrower fails to maintain certain covenants under the credit agreement (such as a failure to maintain certain customary financial ratios).

B. Stability ratings

3.5 What is a stability rating?

A stability rating is an opinion of an independent rating agency about the relative stability and sustainability of an income trust's cash distribution stream. Standard & Poor's (S&P's) and Dominion Bond Rating Services (DBRS) currently provide stability ratings on Canadian income trusts. A stability rating reflects the rating agency's assessment of an income trust's underlying business model, and the sustainability and variability in cash flow generation in the medium to long-term. The objective of these stability ratings is to compare the stability of rated Canadian income trusts with one another within a particular sector or industry.

3.6 Does an income trust need to obtain a stability rating?

No. However, the CSA believes that stability ratings by rating agencies, such as S&P's and DBRS, can provide useful information to investors.

Some investors who choose to invest in income trust units may base that decision primarily on the cash flow generated by the operating entity. Distributable cash is often presented as a measure of the issuer's potential to generate cash for distribution. Stability ratings can supplement the presentation of distributable cash to provide an independent opinion on the ability of an income trust to meet its distributable cash targets consistently over a period of time relative to other rated Canadian income trusts within a particular sector or industry.

3.7 What disclosure do we expect about an income trust's stability rating?

If an income trust has asked for and received a stability rating, the rating should be described on the cover page of the prospectus and in the income trust's AIF. The income trust should include disclosure about the rating in accordance with section 10.8 of Ontario Securities Commission Form 41-501F1 Information Required in a Prospectus (or its successor), section 10.8 of Schedule 1 Information Required in a Prospectus to Quebec's Regulation Q-28 respecting General Prospectus Requirements (or its successor), section 7.9 of Form 44-101F1 Short Form Prospectus (or its successor) or item 7.3 of Form 51-102F2 (or its successor). This disclosure should explain that a rating measures an income trust's stability relative to other rated Canadian income trusts within a particular sector or industry. Issuers are required to make timely disclosure of any material change in their affairs, which we believe would include any change in a stability rating that constitutes a material change.

We understand that some stability ratings are provided to income trusts on an unsolicited basis. These ratings are not based on discussions with the income trust but, rather, on publicly available information. Our disclosure expectations do not extend to unsolicited stability ratings.

C. Executive compensation

3.8 What disclosure do we expect the income trust to provide about executive compensation for the operating entity?

We believe that the executive compensation of the operating entity's executives is important information for investors. The income trust should provide that information in its prospectus and information circular as if the operating entity were a subsidiary of the income trust.

3.9 What disclosure do we expect about the income trust's management contracts and management incentive plans?

We believe that the material terms of management contracts and management incentive plans are relevant information for investors if the terms of those contracts or plans have an impact on distributable cash. For example, if the term "distributable cash" is defined in a unique way in a management contract, we expect that term of the contract to be described. A further

example would be information about why an issuer has decided to use an external management company rather than retain an internal management structure or, conversely, why an issuer has internalized management. Adequate information about those contracts and plans should be included in applicable disclosure documents. Even if those contracts and plans have not been finalized prior to the filing of an initial public offering (final) prospectus, the anticipated material terms should still be described in the prospectus.

3.10 Do we expect management contracts and management incentive plans to be filed on SEDAR?

We expect the material contracts and plans referred to in section 3.9 to be filed on SEDAR. If those material contracts and plans have not been finalized before filing a prospectus, we expect the income trust to provide an undertaking from the income trust and the operating entity to securities regulatory authorities that those contracts and plans will be filed as soon as practicable after execution.

D. Risk factors

3.11 General

Income trusts are required to disclose all material risk factors relating to the offering pursuant to a prospectus. A complete discussion of risk factors for an income trust should include the principal factors related to the specific offering that could affect the predictability of cash flow distributions to unitholders. It would also include an assessment of the likelihood of a risk occurring as well as the potential consequences to a unitholder if a risk should occur. Relevant risk factors may include risks relating to the operating entity business, the potential inapplicability to unitholders of certain corporate law rights and remedies, the potential inapplicability of insolvency and restructuring legislation in the trust context, and other factors relevant to income trusts and other indirect offerings that we have described in this policy. For income trusts, risk factor disclosure is also required on an ongoing basis in the issuer's AIF in accordance with Item 5.2 of Form 51-102F2 (or its successor).

Part 4 – Offering-specific issues

A. Determination of offering price

4.1 What disclosure do we expect about the determination of the price of an income trust's units?

We do not require that income trusts obtain a third-party valuation of the operating entity interests to be acquired (unless that valuation is otherwise required under securities legislation). However, if a third-party valuation is obtained in connection with an initial public offering, the income trust should describe the valuation in the prospectus. The description should identify the parties involved, the principal variables and assumptions used in the valuation (particularly those which could, if adversely altered, cause a deterioration in the value of the issuer's investment). If no third-party valuation is obtained, the prospectus should disclose that fact and state that the price of the issuer's units was determined solely through negotiation between the operating entity security holders and the underwriter(s).

B. Prospectus liability

4.2 What is the regulatory framework?

The central element of the prospectus system is the requirement that disclosure of all material facts relating to the offered securities and the issuer be provided so that investors can make informed investment decisions.

Although the prospectus serves a role in marketing securities, from a regulatory perspective it is also a disclosure document that can give rise to regulatory and civil liability. To provide discipline on prospectus disclosure, and to protect the integrity of the Canadian public markets, securities legislation prohibits certain persons involved in a public offering from making a misrepresentation (as defined in applicable securities legislation) in a prospectus. Where a prospectus contains a misrepresentation, investors may have the right to either rescind their purchases or to claim damages from the issuer or selling security holder, every director of the issuer, any promoters of the issuer, the underwriter(s) and certain other parties. Each of those parties (including each selling security holder) is jointly and severally liable for the damages suffered by investors as a result of the misrepresentation(s). Although "selling security holder" is not defined under applicable securities laws, the term is generally considered to mean persons who are selling securities of the class being distributed under the prospectus.

4.3 How does the regulatory framework related to prospectus liability apply to indirect offerings?

In an indirect offering, the issuer uses the proceeds to acquire a business (and perhaps to repay indebtedness), and the disclosure (including financial disclosure) in the prospectus describes both the acquired business and the issuer. The proceeds are not retained by the issuer, and any prospectus misrepresentation that adversely affects the value of the acquired business may diminish the issuer's ability to satisfy a damages claim.

An underwriter's statutory liability in an indirect offering is the same as it is in a conventional direct offering. Underwriters sign a certificate about the disclosure contained in the issuer's prospectus and are potentially liable for a misrepresentation in the prospectus.

In an indirect offering, the former owners of the operating entity (referred to as vendors) who sell their ownership interests in the operating entity to the issuer and who are effectively accessing the public markets to liquidate their holdings, are not generally considered to be "selling security holders" within the meaning of securities legislation, as they are not selling the securities being offered under the prospectus. As a result, vendors who indirectly receive part of the proceeds of the offering in exchange for their operating entity interests do not (unless they qualify as promoters, see below) have statutory liability for a misrepresentation in a prospectus as they would if their interest in the operating entity had been distributed directly to the public. Vendors of businesses to conventional issuers undertaking a direct offering would also not be considered "selling security holders" although they indirectly receive offering proceeds. However, as noted above, we believe those circumstances differ from an indirect offering because access to the public markets is being initiated primarily not by those vendors but by the conventional issuer.

4.4 Promoter liability

4.4.1 What is the meaning of promoter?

Persons that are promoters of an issuer within the meaning of securities legislation are required to sign the issuer's prospectus in that capacity. As a consequence, those persons assume joint and several liability for prospectus misrepresentations up to a maximum amount equal to the gross proceeds of the offering. The term "promoter" is defined differently in provincial securities legislation across the CSA jurisdictions. It is not defined in the Securities Act (Québec), and a broad approach is taken in Québec with respect to examining those persons who would be considered promoters. We believe that a vendor that receives, directly or indirectly, a significant portion of the offering proceeds as consideration for services or property in connection with the founding or organizing of the business of an income trust issuer, is a promoter and should sign the prospectus in that capacity.

4.4.2 What constitutes the "business" of the income trust?

In the context of indirect offerings, there appears to be uncertainty about whether the "business of an issuer", as that phrase is used in the definition of "promoter" in some of the CSA jurisdictions, refers to the business of the issuer (the income trust) or to the business of the operating entity. More specifically, the question is whether the test depends on a person's involvement in the founding, organization or substantial reorganization of the operating entity's business, or whether involvement in the founding, organization, or substantial reorganization of the income trust itself will make a person a promoter.

We believe that in most cases, the business of the income trust issuer is primarily to complete the public offering and to acquire the interest in the operating entity. Therefore, we generally focus on a person's involvement in the founding, organization, or substantial reorganization of the income trust itself.

We also believe that any person who initiated or took part in the formation, organization or substantial reorganization (as those terms are often used in the definition of "promoter") of the operating entity would not cease to be a promoter under the offering solely due to use of an indirect offering structure. The relationship between the income trust and the operating entity is not sufficiently at arm's length to support this result. The question of whether a person takes part in the founding, organizing or substantial reorganizing of the income trust's business and of the operating entity's business is one of fact. Therefore, this determination should be made by the income trust and the underwriter(s) after reviewing the relevant facts.

4.4.3 What disclosure do we expect about the implications of the operating entity being identified as a promoter?

Where the operating entity signs the prospectus as promoter but the vendors are retaining no interest, or only a nominal interest, in the operating entity upon closing of the offering, the right to claim damages from the operating entity for misrepresentations offers limited or no additional benefit to investors. This is because all or a substantial majority of the interests in the operating entity are acquired by the income trust. Therefore, the prospectus should explain that, despite the operating entity's statutory liability for a misrepresentation in the prospectus, there will be little or no practical benefit to investors who choose to exercise those rights against the operating entity. This is because a successful judgment would result in a deterioration of the operating entity's value (frequently the sole asset of the income trust) and a resulting decline in the value of the investor's securities of the income trust. It is also likely that the operating entity would have a limited ability to satisfy such a claim.

We believe this type of disclosure would be helpful to investors who may not understand the implications of the operating entity being identified as a promoter of the income trust, as is often the case.

Conversely, where the vendors retain a meaningful interest in the operating entity, the characterization of the operating entity as a promoter will offer an additional benefit because the value in the operating entity held by vendors as their retained interest

would be potentially available to contribute to satisfying a damages claim without investors suffering a corresponding decline in the value of their securities of the income trust.

4.5 Contractual accountability

4.5.1 What accountability for prospectus disclosure is typically assumed by vendors through contractual arrangements?

Our review of indirect offering prospectuses indicates that in situations where vendors have not signed the prospectus, they typically assume, by contract, responsibility for matters relating to the operating entity's business. Vendors typically provide representations and warranties about the operating entity and its business to the issuer under the acquisition agreement pursuant to which the vendors sell, and the issuer acquires, the operating entity interests. As well, in several indirect offerings, the vendors have provided a representation in the acquisition agreement about the absence of any misrepresentation in the prospectus (a prospectus representation).

4.5.2 What are our concerns about the application of the regulatory requirements to indirect offerings?

We are concerned that:

(i) investors in indirect offering structures may not appreciate that there is not always a statutory right of action against the vendors as there would be in a direct offering if the vendors were considered "selling security holders",

(ii) prospectus representations may not be given by vendors in circumstances where we would consider those representations to be appropriate,

(iii) prospectus disclosure of the vendors' representations and warranties, and limitations, in the acquisition agreement may not be sufficiently detailed or clearly set out to permit investors to understand the vendors' contractual accountability, and

(iv) the vendors' representations and warranties may not adequately address the potential loss of rights and remedies that securities legislation would provide to investors in a direct offering.

4.5.3 What disclosure do we expect about the accountability of the vendors?

To address the concerns described in subsection 4.5.2, prospectuses relating to indirect offerings, where part of the proceeds are being paid to vendors, should:

(i) include a clear statement that investors may not have a direct statutory right of action against each vendor for a misrepresentation in the prospectus unless that vendor is a promoter or director of the issuer, or is otherwise required to sign the prospectus,

(ii) include a detailed description of the vendors' representations, warranties and indemnities contained in the acquisition agreement (and any significant related limitations) and details about the negotiations (including the parties involved), together with a summary of these items in the summary section of the prospectus,

(iii) identify the acquisition agreement as a material contract and provide disclosure advising investors to review the terms of the acquisition agreement for a complete description of the vendors' representations, warranties and indemnities, and related limitations, and

(iv) identify what measures have been implemented to provide investors with rights and remedies against the vendors in lieu of those afforded by securities legislation in a direct offering.

The summary of the relevant acquisition agreement provisions should include clear disclosure about the following:

(i) the aggregate cash proceeds being paid to the vendors for the sale of their operating entity interests,

(ii) the nature of the representations and warranties provided by the vendors, including any significant qualifications, and specifically whether a prospectus representation is provided,

(iii) the period of time that the representations and warranties will survive after closing,

(iv) any monetary limits on the vendors' indemnity obligations, and

(v) any other limitations on, or qualifications to, the vendors' indemnity obligations.

The summary of the acquisition agreement provisions should provide investors with a clear description of the extent to which the vendors are supporting, with meaningful indemnities, the representations and warranties in favour of the issuer.

CSA staff may consider recommending against the issuance of a receipt for a prospectus if vendors receive cash proceeds from an indirect offering by selling their operating entity interests and do not take appropriate responsibility (directly or indirectly) for the information provided in the prospectus through the acquisition agreement, or as a result of signing the prospectus, or otherwise.

4.5.4 What are our concerns about the nature and extent of the representations, warranties and indemnities provided by vendors in the acquisition agreement?

Circumstances, including the nature of the operating entity and its business and the nature and extent of the vendors' interests (individually and in the aggregate) and their involvement in the operating entity, will affect the types of representations, warranties and indemnities that can reasonably be expected to be provided to the issuer by vendors in the context of an indirect offering.

Examples of circumstances where we have had concerns about vendors not taking appropriate responsibility in the context of indirect offerings have included situations where:

(i) certain vendors, who we refer to as active vendors, such as:

- vendors that affect materially the control of the operating entity prior to the offering, and who are involved in the offering process and/or the management or supervision of management of the operating entity prior to the offering,
- vendors that influence (whether alone or in conjunction with others) the offering process, and
- members of senior management of the operating entity,

sell a substantial portion of their interest in the operating entity to the issuer on closing but do not

a. sign the prospectus as promoter, or

b. provide a prospectus representation in the acquisition agreement;

(ii) a vendor's obligation to indemnify the issuer if the prospectus contains a misrepresentation is limited to an amount less than the proceeds received by the vendor from the sale of the vendor's interest in the operating entity or is subject to a deductible or other threshold that precludes claims against the vendor that are not, individually or in the aggregate, above a certain value; and

(iii) the vendor's responsibility for the information on which the offering is based is reduced unduly, having regard to the nature of the vendor's investment, as a result of the period during which claims may be asserted against the vendor for a prospectus misrepresentation being significantly shorter than the period in which claims may be asserted against the issuer for a prospectus misrepresentation.

If an active vendor's liability for a misrepresentation in the acquisition agreement is conditional on the active vendor having knowledge of the misrepresentation, we expect that the active vendor would generally have a corresponding obligation to take reasonable steps to confirm the accuracy of the representation. For example, a non-management active vendor should make appropriate inquiries of management of the operating entity.

The CSA acknowledges that there may be constraints on the indemnities that certain vendors can provide and the survival period of those indemnities. In assessing whether the vendors have taken appropriate responsibility (directly or indirectly) for the information provided as a basis for the offering, we will generally assess the entire framework of representations, warranties and indemnities provided by the vendors as a group, as opposed to assessing each component or vendor individually. We believe this approach is consistent with the commercial realities within which the parties to these transactions allocate the risks and rewards of the transactions.

Part 5 – Sales and marketing materials

5.1 What are our concerns about sales and marketing materials?

Registrants often solicit interest from potential investors during the "waiting period" between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for the prospectus, and in the period following the receipt for the prospectus until the primary distribution is completed. Along with the distribution of the preliminary prospectus (or prospectus, if then available) to potential investors, that process often involves the preparation and distribution of materials (such as green sheets) for the benefit of registered salespersons and banking group members. The information included in these materials is typically a simplified summary version of the disclosure in the prospectus, and should be limited to information included in, or directly derivable from, the prospectus (the exceptions are information about the basic terms of comparable offerings and general market information not specific to the issuer).

Marketing materials used in the context of income trust offerings often include prominent reference to "yield". We are concerned that expressions of "yield" in these marketing materials may not be clearly understood, both because the term itself may have connotations or common usages that are not consistent with the attributes of income trust units and because the relationship between the "yield" described in the marketing materials and the information in the prospectus may not be clear.

"Yield" is generally used in the context of income trust offerings to refer to the return that would be generated over a one-year period, as a percentage of the offering price of the units, if the amounts intended to be distributed by the income trust according to its distribution policy are so distributed. In connection with their ongoing approach to disclosure, issuers should carefully consider yield expectations previously communicated to investors through sales and marketing materials or otherwise. Whether and to what extent those yield expectations are met are important aspects of overall disclosure of performance. Issuers should include in their interim and annual MD&A, where applicable, a comparison between the expected yield figure previously communicated and the actual yield.

5.2 What information do we expect the green sheets to contain?

We are concerned that use of the term "yield" in these marketing materials may imply that the entitlement of unitholders to distributions is fixed. We expect expressions of yield to be accompanied by disclosure that, unlike fixed-income securities, there is no obligation of the income trust to distribute to unitholders any fixed amount, and reductions in, or suspensions of, cash distributions may occur that would reduce yield based on the offering price.

A related concern is that disclosure of a yield in marketing materials may cause confusion because yield is not typically disclosed in the prospectus. If marketing materials contain an expression of yield, we expect the statement to be tied to the disclosure in the prospectus on which the marketing is based (including, in particular, the pro forma presentation of distributable cash in the prospectus). Specifically, expressions of yield in income trust offering marketing materials should be accompanied by disclosure indicating the proportion of the pro forma distributable cash (as set out in the prospectus) that the stated yield would represent. Guidance for the disclosure about distributable cash in the green sheets is set out in subsection 6.5.2 of this policy.

In addition, if reference is made to tax efficiencies that may be realized on distributions (such as returns of capital to investors), we expect that disclosure to be clear and, to the extent practical, quantified. For example, the estimated tax-deferred portion of distributions for the foreseeable period, and the tax implications, should be clearly stated or cross-referenced.

5.3 Do we expect income trusts to provide us with copies of their green sheets?

Yes. Income trust issuers should provide copies of all green sheets to the securities regulatory authorities when filing the preliminary prospectus, together with separate documentation providing a clear and concise explanation of how the yield figure (if contained in the green sheet) is derived from the prospectus disclosure. In addition, we may request that additional sales and marketing materials used in connection with an income trust offering be provided.

Part 6 – Continuous disclosure-specific issues

6.1 What continuous disclosure do we expect about the operating entity?

An income trust's performance and prospects depend primarily on the performance and operations of the operating entity. To make an informed decision about investing in an income trust's units, an investor generally needs comprehensive information about the operating entity, including: (i) the operating entity's interim and annual financial statements together with corresponding MD&A for the relevant periods, (ii) complete business disclosure about the operating entity of the scope expected in an annual information form, and (iii) press releases and material change reports about any material changes in the business, operations or capital of the operating entity.

If a business acquisition report (a BAR) is filed for the acquisition by the income trust of the operating entity, in accordance with Part 8 of NI 51-102 (or its successor), the income trust must include within the BAR updated financial information about the operating entity.

To the extent the securities laws in some CSA jurisdictions are ambiguous about whether the disclosure described above about the operating entity is required by a reporting issuer that is an income trust or other non-corporate entity, the income trust issuer should file one or more undertakings with the regulatory authorities prior to receiving a receipt for a prospectus, completing a plan of arrangement involving an operating entity or otherwise acquiring a direct or indirect interest in an operating entity. The following is an example of an undertaking that we would expect:

(A) in complying with its reporting issuer obligations, the income trust will treat the operating entity as a subsidiary of the income trust; however, if generally accepted accounting principles (GAAP) used by the income trust prohibit the consolidation of financial information of the operating entity and the income trust, then for as long as the operating entity (including any of its significant business interests) represents a significant asset of the income trust, the income trust will provide unitholders with separate audited annual financial statements and interim financial statements, prepared in accordance with the same GAAP as the income trust's financial statements, and related management's discussion and analysis, prepared in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations* or its successor, for the operating entity (including information about any of its significant business interests), and

(B) the income trust will annually certify that it has complied with this undertaking, and file the certificate on SEDAR concurrently with the filing of its annual financial statements.

We recognize that there may be circumstances where the income trust does not have direct access to the operating entity's financial information. For example, in situations where the income trust holds less than a 50% interest in an operating entity, it may be difficult for the income trust to have direct access to that operating entity's financial information. If so, the income trust should ensure that it can follow the guidance described in this section 6.1 either through the terms of the acquisition agreement or otherwise.

6.2 Comparative financial information

Most income trusts are the continuation of an existing business that was previously operated under a different legal form (for example, a corporation). We believe that the change in legal form does not alter the substance of the business operations and therefore does not prevent an income trust from presenting comparative financial information for the underlying business during its initial interim and annual periods including the interim period during which the trust came into existence.

For those acquisitions accounted for by the purchase method, income trusts should provide comparative financial information for the predecessor business in their interim and annual MD&A. For trusts that are created on a date within a given interim period, the trust's first interim MD&A should include both financial information about the predecessor business (from the beginning of the applicable interim period to the date of the creation of the trust) and financial information about the trust (beginning as of the date of its creation). Examples of relevant comparative information would include, but would not be limited to, the following:

- revenues/sales,
- cost of sales,
- gross margin,
- general and administrative expenses, and
- net income.

In situations where the transfer of the operating business into an income trust is accounted for at carrying amounts, we expect the income trust to provide complete financial statements with comparative figures that also reflect the operations of the business under the previous legal entity.

Where an issuer believes that providing comparative information would not be appropriate, such as where the income trust is formed as a result of multiple acquisitions, we encourage the issuer to discuss the circumstances with the relevant securities regulatory authority(ies) prior to filing the applicable continuous disclosure document(s).

6.3 Recognition of intangible assets

GAAP requires the appropriate recognition of all intangible assets acquired in business combinations. In addition, the intangible assets acquired must be assigned a portion of the total cost of the purchase based on their fair values at the date of acquisition. To assist investors in understanding the valuation process and the cost assigned to the intangible assets, income trusts should provide in the offering document a description of the method(s) used to value the intangible assets.

6.4 Are "insiders" of the operating entity also insiders of the income trust for purposes of insider reporting obligations?

Consistent with our view that the performance and prospects of an income trust depend on the performance and prospects of the operating entity, we believe each person who would be an "insider" (as that term is defined in applicable securities legislation) of the operating entity if the operating entity were a reporting issuer should comply with insider reporting requirements as if that person were also an insider of the income trust.

To the extent securities laws in certain CSA jurisdictions are ambiguous about whether insiders of the operating entity are also insiders of the income trust or other non-corporate entity, that issuer is expected to file an undertaking with the regulatory authorities prior to receiving a receipt for a prospectus, completing a plan of arrangement involving an operating entity or otherwise acquiring a direct or indirect interest in an operating entity. We expect the undertaking to provide that for so long as the income trust is a reporting issuer, the income trust will take the appropriate measures to require each person who would be an insider of the operating entity or a person or company in a special relationship with the operating entity if the operating entity were a reporting issuer to: (i) file insider reports about trades in units of the income trust (including securities which are exchangeable into units of the income trust), and (ii) comply with statutory prohibitions against insider trading. We expect the income trust to annually certify in the certificate described in section 6.1(B) above that it has complied with this undertaking.

We are concerned that additional persons that may possess material undisclosed information about the income trust may: (i) not fall within the definition of "insider" (as that term is defined in applicable securities legislation) or (ii) not be caught by the undertaking. As a result, there may be situations where we will require that additional undertakings be provided. The income trust will need to obtain the relevant contractual commitments from these persons and entities in order to comply with the undertakings referred to above.

Recent amendments to securities legislation in Alberta deem insiders of operating entities and management companies to be insiders of the income trust. The CSA is in the process of developing a proposed national rule that would harmonize and streamline the requirements for insiders of reporting issuers to file insider reports. We expect that the proposed national rule will include harmonized requirements for insiders of operating companies and management companies to file insider reports about their transactions involving securities of the income trust. Pending the implementation of the proposed national insider reporting rule, we will continue to require income trusts to provide the undertaking described above.

6.5 MD&A

6.5.1 Risks and uncertainties

Under Form 51-102F1, an income trust must discuss important trends and risks that have affected the operating entity's financial statements, and trends and risks that are reasonably likely to affect them in the future. Although the instructions in Form 51-102F1 do not specifically state it, to meet the requirement to disclose risks, income trusts should provide a detailed risk factor discussion about the potential commitment to replace and maintain capital assets, including a quantitative discussion about expected annual capital maintenance expenditure levels relative to current levels, and the expected effect on distributions.

6.5.2 Discussion of distributed cash

Although most income trusts intend to make distributions of their available cash to unitholders, these cash distributions are not assured. The actual amount distributed depends on numerous factors, including the operating entity's financial performance, debt covenants and obligations, working capital requirements and future capital requirements. It is important for unitholders to have information about the source(s) of the distributed cash that they receive, including whether the issuer borrowed amounts to finance distributions, and whether distributions include amounts that are not properly classified as a return on capital. Although the instructions in Form 51-102F1 do not specifically state it, to meet the disclosure requirements for liquidity in Form 51-102F1, income trusts should provide sufficient disclosure about their sources of funding relating to current and future cash distributions so that unitholders can understand what portion, if any, of the distributions they receive were funded by non-operating cash flows. Also, income trusts should quantify these amounts and discuss the impact on the trust's long-term ability to sustain distributions if non-operating cash flows are being used to fund distributions.

An income trust can overcome the concerns noted in section 2.1 and in this subsection by providing information in its interim and annual MD&A that summarizes the main elements of its performance that are necessary to assess the sustainability of its cash distributions. One way to summarize this information is by using a table similar to the following:

		For the most recently completed quarter	Accumulated for the current fiscal year (Year 1)	Previously completed fiscal years	
				(Year 2)	(Year 3)
A.	Cash flows from operating activities*	$ XX	$ XX	$ XX	$ XX
B.	Net Income (loss)	$ XX	$ XX	$ XX	$ XX
C.	Actual cash distributions paid or payable relating to the period **	$ XX	$ XX	$ XX	$ XX
D.	**Excess (shortfall) of cash flows from operating activities over cash distributions paid** **(A) – (C)** ***	**$ XX**	**$ XX**	**$ XX**	**$ XX**
E.	**Excess (shortfall) of net income over cash distributions paid** **(B) – (C)** ***	**$ XX**	**$ XX**	**$ XX**	**$ XX**

* Takes into account changes in non-cash working capital balances

** Includes distributions paid or payable on all classes of units and any special distributions paid or payable during the period

*** Income trusts might choose to present the excess (shortfall) in lines D and/or E in the form of a ratio or percentage. In these instances, we expect this ratio or percentage to be determined based solely on amounts included in lines A, B, and C, as applicable, from the above table.

The above table provides clear disclosure about the relationship between cash flows from operating activities and net income (loss), and historical distributed cash amounts.

When cash distributions are greater than either net income (loss) or cash flow from operating activities, creating a shortfall in any of the columns in the above table, disclosure of the following, as applicable, will help to provide a balanced discussion of the issuer's results of operations and financial condition:

(i) why the trust has chosen to make distributions partly representing an economic return of capital, or, alternatively, why it does not believe that any portion of those distributions should be regarded as an economic return of capital,

(ii) a quantification and description of the sources of cash used to fund the shortfall,

(iii) the obligations of the issuer or its subsidiaries in connection with the sources of cash used to fund the shortfall, including repayment terms and interest payable,

(iv) whether any material contract was amended in connection with the funding of the shortfall and whether any waivers or consents were obtained,

(v) whether the issuer expects that cash distributions will continue, for the foreseeable future, to exceed net income and/or cash flow from operations. If so, the trust should specifically address what implications this has for the sustainability of distributions. If not, the issuer should explain the reasons why it does not expect the situation to continue, and

(vi) whether the issuer anticipates that cash distributions may be suspended in the foreseeable future.

If cash distributions paid do not equal distributable cash, the issuer should also discuss the reasons for the difference between the two amounts. If cash distributions paid materially exceed distributable cash, the disclosure of distributable cash should include a detailed explanation of how the additional distributions were financed as this impacts the issuer's liquidity. Generic boiler-plate language about the issuer's sources of available capital or financing or simply pointing the reader to the cash flow statement for further information is not sufficient. When distributions paid are materially less than distributable cash, the disclosure of the amounts distributed should include an explanation of why distributable cash was not fully distributed.

In order to meet the requirements for MD&A, disclosure of an issuer's distributable cash for a period should be accompanied by the information referred to in sections 2.5, 2.6, 2.7 and 2.8, as applicable, as well as the above table and accompanying narrative. Issuers should also refer to the guidance in sections 2.5, 2.6, 2.7, 2.8 and subsection 6.5.2 of this policy when considering how to present disclosure of an issuer's distributable cash, including disclosure contained in annual and interim MD&A, news releases and sales and marketing materials such as green sheets. See also Part 5 of this policy.

Part 7 – Corporate governance

7.1 CEO/CFO certification, audit committees, and effective corporate governance

How each of the issuer and the operating entity will discharge their governance responsibilities is important information for investors. Issuers should provide prospectus disclosure about how each of the issuer and the operating entity will satisfy governance responsibilities including how they will comply with the following instruments or their successors as applicable in each jurisdiction:

(a) Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109),

(b) Multilateral Instrument 52-110 *Audit Committees* or BCI 52-509 *Audit Committees*, as applicable, and

(c) National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

For example, the issuer should consider disclosing which persons will be signing as chief executive officer and/or chief financial officer to meet the requirements of MI 52-109.

In particular, income trusts should refer to the following sections of the above-noted instruments or the related companion policies for specific guidance about income trusts and other similar structures:

(a) part 4 of Companion Policy 52-109CP to Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*,

(b) section 1.2 of Companion Policy 52-110CP to Multilateral Instrument 52-110 *Audit Committees*, and

(c) section 1.2 of National Policy 58-201 *Corporate Governance Guidelines*.

7.2 Broader corporate law concerns

Corporations are governed by corporate statutes regulating their key obligations and the rights afforded to their shareholders. There is no equivalent statutory regime governing non-corporate entities like income trusts. Investors must look to the declaration of trust of each trust to determine the key obligations of the trust and unitholder rights and protections. It is important that unitholders understand that the provisions of the declarations of trust may differ from the minimum standards required under applicable corporate statutes and among various income trusts.

To facilitate unitholders' understanding of these differences, issuers should compare the rights and obligations generally available to corporate shareholders under applicable corporate statutes with those provided in the declaration of trust, highlighting any material differences. For example, under corporate law a corporation is required to hold an annual meeting enabling shareholders to exercise the right to elect directors to the board. If the declaration of trust does not enable unitholders to elect the directors to the board of the income trust, this fact should be clearly identified.

Because we are concerned that a unitholder may not be afforded the same protections, rights and remedies as a shareholder in a corporation, issuers should also provide the following disclosure in the issuer's AIF (if an AIF is filed) and any prospectus filed by the issuer:

> A unitholder in the income trust has all of the material protections, rights and remedies a shareholder would have under the *Canada Business Corporations Act*. These protections, rights and remedies are contained in the [trust indenture, dated ***].
>
> OR
>
> A unitholder in the income trust has all of the material protections, rights and remedies a shareholder would have under the CBCA, except for the following: [list protections, rights and remedies that are not available to a unitholder.] The protections, rights and remedies available to a unitholder are contained in the [trust indenture, dated ***].

Some corporate legislation such as section 21 of the Canada Business Corporations Act provides a mechanism for persons to request a shareholder list for the purpose of making an offer to acquire securities of a corporation. An income trust that refuses to provide a unitholders' list should refer to National Policy 62-202 – *Take-Over Bids – Defensive Tactics* or in Québec Notice 62-202 *Relating to Take-Over Bids – Defensive Tactics* in the case of a potential offeror requesting a unitholders' list. If refusal to provide such a list is likely to deny or severely limit the ability of unitholders to receive or respond to a take-over bid or a competing bid, Canadian securities regulatory authorities may take action.

Part 8 – Other issues

8.1 Income trust names

As discussed above in section 1.2, this policy is intended to address income trusts, not "investment funds" as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure*, or an entity that issues asset-backed securities or capital trust securities. On its initial formation an income trust should exercise caution to ensure that its disclosure makes it clear to investors that it is not an investment fund or mutual fund. Income trusts should avoid adopting a name that may mislead investors as to the nature of the issuer's structure or business purpose. By using terms such as 'equity fund' or 'income growth' in the name, an issuer may be inadvertently suggesting that it is an investment fund or mutual fund. Investors should be provided with a clear understanding of the structure of the issuer and the nature of the securities that they are investing in.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/06/2007	1	Alico Services Corporation - Preferred Shares	105,860.00	N/A
06/06/2007	135	Athabasca Potash Inc. - Common Shares	6,160,147.20	7,465,392.00
06/01/2007	23	Bandon Capital Resources Ltd. - Flow-Through Shares	757,000.00	6,308,333.00
06/13/2007	9	Bristow Group Inc. - Notes	2,558,742.00	2,388,000.00
05/28/2007	20	Caisse des Depots et Consignations - Bonds	274,375,750.00	N/A
06/15/2007	1	Canadian Golden Dragon Resources Ltd. - Common Shares	6,250.00	50,000.00
06/08/2007 to 06/11/2007	2	CapLink Mortgage Investors Corporation - Preferred Shares	287,200.00	2,872.00
06/01/2007	1	Cartpath Productions Partnership - Units	221,179,796.09	208,581.48
06/12/2007	7	Decision Dynamics Technology Ltd. - Units	812,000.00	2,706,666.00
06/06/2007	37	EnWave Corporation - Units	1,000,674.00	2,331,237.00
06/11/2007 to 06/15/2007	31	General Motors Acceptance Corporation of Canada, Limited - Notes	11,559,520.52	11,559,520.52
06/06/2007	10	Gladstone Pacific Nickel Corporation - Warrants	6,455,429.97	1,700,800.00
06/08/2007 to 06/17/2007	8	Global Trader Europe Limited - Special Trust Securities	61,169.90	212,004.00
06/04/2007 to 06/11/2007	1	GMO International Core Equity Fund-III - Units	4,215,704.75	91,066.43
05/31/2007	187	Golden Cross Resources Inc - Warrants	239,100.00	1,594,002.00
05/03/2007	11	Goldnev Resources Inc. - Units	123,200.00	1,540,000.00
04/24/2007	26	Goldnev Resources Inc. - Units	396,800.00	4,960,000.00
06/08/2007	7	Greencastle Resources Ltd. - Units	1,500,000.00	4,500,000.00
06/15/2007	10	International Media Inc. - Units	1,816,230.00	1,816,230.00
06/04/2007	1	KBSH Private - Canadian Equity Fund - Units	52,000.00	2,665.30
06/20/2007	1	KBSH Private - International Equity Fund - Units	40,000.00	3,327.79
06/07/2007	1	KBSH Private - U.S. Equity Fund - Units	40,000.00	2,931.27
06/07/2007	1	KBSH Private North American Special Equity Fund - Units	50,000.00	1,768.60

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/30/2006 to 04/05/2007	35	Kinbauri Gold Corp. - Receipts	12,719,000.00	25,438,000.00
05/31/2007	2	KKR Asian Fund L.P. - Limited Partnership Interest	427,960,000.00	N/A
06/13/2007	9	Limelight Networks Inc. - Common Shares	1,920,663.75	119,500.00
06/08/2007	85	Motapa Diamonds Inc. - Units	7,000,000.00	10,000,000.00
06/04/2007	1	Noranda Aluminum Holding Corporation - Notes	2,101,374.00	N/A
06/15/2007	5	Northcore Technologies Inc. - Common Shares	448,800.00	2,992,000.00
06/12/2007	13	Pioneering Technology Inc. - Units	339,000.00	3,440,000.00
06/15/2007	3	Queen Street Entertainment Capital Inc. - Units	660,000.00	N/A
06/13/2007	3	Reliant Energy Inc. - Notes	1,148,648.00	N/A
06/13/2007	1	Royal Lake Resorts Inc. - Common Shares	150,000.00	150,000.00
06/06/2007	29	Rutter Inc. - Units	10,186,767.60	N/A
06/12/2007	39	Savannah Diamonds Limited - Common Shares	2,127,200.00	5,000,000.00
06/08/2007	1	Sextant Strategic Opportunities Hedge Fund LP - Units	25,000.00	1,032.70
06/11/2007	6	Starent Networks, Inc. - Common Shares	4,002,710.40	312,000.00
06/06/2007	10	Threegold Resources Inc. - Common Shares	280,000.00	1,000,000.00
05/17/2007	1	Ventas Inc - Common Shares	1,095,322.50	25,000.00
06/18/2007	24	Western Prospector Group Ltd. - Common Shares	34,615,000.00	8,050,000.00
06/06/2007	28	Wexford Energy Limited - Common Shares	1,942,531.00	9,175,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
AIM Canadian Balanced Fund
AIM Canadian First Class
AIM Trimark Core Canadian Balanced Class
Trimark Diversified Income Class
Trimark Fund
Trimark Global Balanced Fund
Trimark Income Growth Fund
Trimark Select Balanced Fund
Trimark Select Canadian Growth Fund
Trimark Select Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 27, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
Series A, F, T4, T6 and T8 Shares
Series T4, T6 and T8 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIM FUNDS MANAGEMENT INC.
Project #1123145

Issuer Name:
Arcus Development Group Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
$2,000,000.00 - Minimum Offering: 3,750,000 Units Maximum Offering: 5,000,000 Units Price: $0.40 Per Unit
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
Ian J. Talbot
Project #1123173

Issuer Name:
ATS Automation Tooling Systems Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 25, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Offering of Rights to Subscribe for Common Shares Subscription Price: * Rights and $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
UBS Securities Canada Inc.
Promoter(s):
-
Project #1122643

Issuer Name:
Blue Ribbon Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Minimum Offering: $500,000.00 or 2,500,000 Common Shares; Maximum Offering: $1,000,000.00 or 5,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
Kevin Xuereb
Nicholas Hooper
Ennio D'Angela
Project #1124066

Issuer Name:
Canadian Equity Diversified Pool
Canadian Equity Growth Pool
Canadian Equity Small Cap Pool
Canadian Equity Value Pool
Canadian Fixed Income Pool
Cash Management Pool
Emerging Markets Equity Pool
Enhanced Income Pool
Global Fixed Income Pool
International Equity Diversified Pool
International Equity Growth Pool
International Equity Value Pool
Real Estate Investment Pool
Short Term Income Pool
US Equity Diversified Pool
US Equity Growth Pool
US Equity Small Cap Pool
US Equity Value Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 27, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
Class F Units
Underwriter(s) or Distributor(s):
United Financial Corporation
Assante Capital Management Ltd.
Assante Financial Management Ltd.
Assante Capital Management Ltd.
Assante Capital Management Ltd.
Assante Capital Management Ltd.
Promoter(s):
United Financial Corporation
Project #1123468

Issuer Name:
Charter Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 29, 2007
Mutual Reliance Review System Receipt dated July 3, 2007
Offering Price and Description:
$ * - * Units Price: $4.50 per Offered Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc,
BMO Nesbitt Burns Inc.
Blackmont Capital Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1124518

Issuer Name:
CIBC Canadian Bond Fund
CIBC U.S. Dollar Money Market Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 26, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Premium Class Units
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #1122635

Issuer Name:
Criterion Global Clean Energy Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 26, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Criterion Investments Limited
Project #1122504

Issuer Name:
Franklin Templeton Global Balanced Corporate Class Portfolio
Franklin Templeton Global Balanced Portfolio
Franklin U.S. Core Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Series A, F and O Shares
Series A, F, O, R, S and T Units
Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Promoter(s):
-
Project #1124227

Issuer Name:
frontierAlt Oasis Global Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
FrontierAlt Oasis Funds Management Inc.
Project #1123107

Issuer Name:
GHG Emission Credit Participation Corp.
Principal Regulator - Ontario
Type and Date:
Amended Restated Preliminary Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
GHG Emission Credit Participation Corp.
$ * - * Units Price: $10.00 per UNIT
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Richardson Partners Financial Limited
Cormark Securities Inc.
Wellington West Capital Markets Inc.
GMP Securities L.P.
Promoter(s):
First Asset Investment Management Inc.
Project #1116762

Issuer Name:
Intermap Technologies Corporation
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
* Common Shares at $*per Common Share ($*)
Underwriter(s) or Distributor(s):
Canaccord Adams Limited
Canaccord Capital Corporation
Orion Securities Inc.
Raymond James Ltd.
Promoter(s):
Brian Bullock
Project #1122938

Issuer Name:
Intermap Technologies Corporation
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
$30,000,000.00 - 5,000,000 Common Shares at $6.00 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Adams Limited
Canaccord Capital Corporation
Orion Securities Inc.
Raymond James Ltd.
Promoter(s):
Brian Bullock
Project #1122938

Issuer Name:
Intuitivo Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
$ 500,000.00 - 5,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Mark S. Wilder
Michael J. Moyal
Project #1124283

Issuer Name:
Kangaroo Media Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$ * New Issue (* Common Shares) $ * Secondary Offering (up to 600,000 Common Shares) Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Desjardins Securities Inc.
Loewen, Ondaatje, McCutcheon Limited
Paradigm Capital Inc.
GMP Securities L.P.
Cormark Securities Inc.
Promoter(s):
-
Project #1122696

Issuer Name:
Knight Bain Canadian Bond Fund
(Formerly: Lakeview KBSH Global Value Explorer Fund)
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Class A, F and I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lakeview Asset Management Inc.
Project #1030449

Issuer Name:
LODH Opus - American Equity Fund
LODH Opus - Canadian Small Capitalization Equity Fund
LODH Opus - Diversified Canadian Equity Fund
LODH Opus - EAFE Equity Fund
LODH Opus - Fixed Income Fund
LODH Opus - Money Market Fund
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated June 29, 2007
Mutual Reliance Review System Receipt dated July 3, 2007
Offering Price and Description:
Series P, S and L
Underwriter(s) or Distributor(s):
Lombard Odier Darier Hentsch (Canada), Limited Partnership
Lombard Odier Darier Hentsch Securities (Canada) Inc.
Promoter(s):
Lombard Odier Darier Hentsch (Canada), Limited Partnership
Project #1125018

Issuer Name:
Mavrix TSX Venture Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$50,000,000.00 (5,000,000 Warranted Units) Maximum $10.00 per Warranted Unit Price: $10.00 per Warranted Unit Minimum Purchase: 100 Warranted Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
MGI Securities Inc.
Wellington West Capital Inc.
Industrial Alliance Securities Inc.
Promoter(s):
Mavrix Fund Management Inc.
Project #1120446

Issuer Name:
Nuvo Research Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
$20,000,000.00 - 100,000,000 Units Each Unit consisting of One Common Share and
One-Half of a Common share Purchase Warrant
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Dundee Securities Corporation
Versant Partners Inc.
Clarus Securities Inc.
Promoter(s):
-
Project #1123474

Issuer Name:
Nventa Biopharmaceuticals Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
($ *_* Units) Price: $*per Unit
Underwriter(s) or Distributor(s):
Jennings Capital Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #1123235

Issuer Name:
OilSands Canada Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 26, 2007 to Preliminary Prospectus dated June 4, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$ * (Maximum) * Units $10.00 per Unit (Each Unit consisting of one Equity Share and one-half of one Warrant to acquire one Equity Share)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Wellington West Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
Middlefield Capital Corporation
Research Capital Corporation
Richardson Partners Financial Ltd.
Promoter(s):
Middlefield Fund Management Limited
Project #1115341

Issuer Name:
Olympus Pacific Minerals Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 26, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
* - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Loewen, Ondaatje, McCutcheon Limited
M Partners Inc.
Promoter(s):
-
Project #1122678

Issuer Name:
OnePak Global Corporation
Type and Date:
Amended and Restated Preliminary Non-Offering dated June 29, 2007
Receipted on July 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1070638

Issuer Name:
Paramount Gold Mining Corp.
Type and Date:
Preliminary Non-Offering Prospectus dated June 29, 2007
Receipted on July 3, 2007
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1125068

Issuer Name:
Raymond James Canadian Focus Picks Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Series A, Series F and Series O Shares
Underwriter(s) or Distributor(s):
First Defined Portfolio Management Co.
Promoter(s):
First Defined Portfolio Management Co.
Project #1122721

Issuer Name:
Reef Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
Combination of Units and Flow-Through Units for Minimum Gross Proceeds of $1,250,000.00 and
Maximum Gross Proceeds of $5,000,000.00
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
Arnold Hansen
Randy Wright
Duncan Croasdale
Project #1056593

Issuer Name:
Rocky Mountain Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 20, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Up to $2,500,000.00 Common Shares Price: $1.00 per Common Shares
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #1121750

Issuer Name:
San Anton Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated June 29, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Minimum Offering: $400,000.00 or 2,000,000 Class A Common Shares Maximum Offering: $1,800,000.00 or 9,000,000 Class A Common Shares Price: $0.20 per Class A Common Share
Minimum Subscription: $1,000 or 5,000 Class A Common Shares
Underwriter(s) or Distributor(s):
CTI Capital Inc.
Promoter(s):
Jacques L'Africain
Project #1124225

Issuer Name:
Sandvine Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$45,000,550.00 - 8,911,000 Common Shares Price: $5.05 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #1122858

Issuer Name:
Silex Ventures Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated June 26, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
Geoff Balderson
Project #1122605

Issuer Name:
Class O Units, Class I Units, Class P Units, Class F Units and Class R Units of :
Canadian Equity Fund
Canadian Small Company Equity Fund
U.S. Large Company Equity Fund
U.S. Small Company Equity Fund
EAFE Equity Fund
Emerging Markets Equity Fund
Canadian Fixed Income Fund
Long Duration Bond Fund
Real Return Bond Fund
Short Term Bond Fund
Money Market Fund
International Synthetic Fund
U.S. Large Cap Synthetic Fund
U.S. MidCap Synthetic Fund
Enhanced Global Bond Fund
Income 100 Fund
Income 20/80 Fund
Income 30/70 Fund
Income 40/60 Fund
Balanced 50/50 Fund
Balanced 60/40 Fund
Growth 70/30 Fund
Growth 80/20 Fund
Growth 100 Fund
Global Growth 100 Fund
Balanced Monthly Income Fund
Conservative Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 25, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Class O Units, Class I Units, Class P Units, Class F Units and Class R Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1104727

Issuer Name:
C Level II International Holding Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated June 22, 2007
Mutual Reliance Review System Receipt dated June 28, 2007
Offering Price and Description:
Minimum Offering: $500,000.00 or 5,000,000 Common Shares; Maximum Offering: $1,000,000.00 or 10,000,000 Common Shares Price: $0.10 per share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1105931

Issuer Name:
Canadian Oil Sands Limited
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Cdn. $1,000,000,000.00 - Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #1119819

Issuer Name:
Deepwell Energy Services Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 26, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Offer of Rights to Subscribe for up to 2,180,515 Units Subscription Price: Two Rights and $6.01 per Unit
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Deepwell Energy Services Ltd.
Project #1119011

Issuer Name:
Excel India Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 29, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Maximum $100,000,000.00 (10,000,000) Units @ $10.00/Unit; Minimum $20,000,000.00 (2,000,000)Units @ $10.00/Unit
Underwriter(s) or Distributor(s):
CIBC World Market Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
IPC Securities Corporation
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Excell Funds Management Inc.
Project #1108849

Issuer Name:
Focused Global Trends Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
$125,000,000.00 - Maximum $25,000,000 Maximum 12,500,000 Class A Combined Units 2,500,000 Class F Combined Units $10.00 per Class A Combined Unit $10.00 per Class F Combined Unit
Each Class A Combined Unit consists of one Class A Unit and one-half of a Warrant for one Class A Unit. Each Class F Combined Unit consists of one Class F Unit and one-half of a Warrant for one Class F Unit.
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #1109644

Issuer Name:
Front Street Resource Performance Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Minimum $25,000,000.00 (2,500,000 Units); Maximum $150,000,000.00 (15,000,000 Units)
Each Unit consisting of one Equity Share and one full Equity Share Purchase Warrant
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.
Tuscarora Capital Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Richardson Partners Financial Limited
Dundee Securities Corp.
GMP Securities Ltd.
HSBC Securities (Canada) Inc.
MGI Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Front Street Capital 2004
Project #1112858

Issuer Name:
Front Street Small Cap Canadian Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated June 21, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Series A, B and F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1081688

Issuer Name:
Front Street Special Opportunities Canadian Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated June 21, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Series A, B and F Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1100562

Issuer Name:
Mackenzie Universal Global Infrastructure Fund
Mackenzie Universal Global Property Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 21, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #1109729

Issuer Name:
MD Balanced Fund (Class A units and Class S units)
MD Bond Fund (Class A units and Class S units)
MD Bond and Mortgage Fund (Class A units and Class S units)
MD Dividend Fund (Class A units and Class S units)
MD Equity Fund (Class A units and Class S units)
MD Growth Investments Limited (Class A shares)
MD Income & Growth Fund (Class A units and Class S units)
MD International Growth Fund (Class A units and Class S units)
MD International Value Fund (Class A units and Class S units)
MD Money Fund (Class A units)
MD Select Fund (Class A units and Class S units)
MD US Large Cap Growth Fund (Class A units and Class S units)
MD US Large Cap Value Fund (Class A units and Class S units)
MD US Small Cap Growth Fund (Class A units)
MDPIM Canadian Equity Pool (Class A units)
MDPIM US Equity Pool (Class A units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 27, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Class A shares, Class A and Class S units
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
MD Private Trust Company
Project #1108798

Issuer Name:
MDPIM Canadian Bond Pool
MDPIM Canadian Equity Pool
MDPIM Dividend Pool
MDPIM International Equity Pool
MDPIM US Equity Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 27, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Mutual Fund Securities at Net Asset Value
Underwriter(s) or Distributor(s):
MD Management Limited
Promoter(s):
-
Project #1108832

Issuer Name:
Newport Partners Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 3, 2007
Mutual Reliance Review System Receipt dated July 3, 2007
Offering Price and Description:
$75,000,000.00 - Series 2007 7.00% Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt
CIBC World
Dundee Securities
Scotia Capital Inc.
GMP Securities L.P.
HSBC Securities
Raymond James Ltd.
Westwind Partners Inc.
Promoter(s):
-
Project #1121866

Issuer Name:
OceanaGold Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 25, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
Cdn.$90,002,500.00 - 25,715,000 Common Shares Price: Cdn.$3.50 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #1104368

Issuer Name:
Orient Venture Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated June 28, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
$300,000.00 (3,000,000 COMMON SHARES) Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Dwane Brosseau
Project #1114247

Issuer Name:
Orleans Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated July 3, 2007
Mutual Reliance Review System Receipt dated July 3, 2007
Offering Price and Description:
$12,040,000.00 - 2,800,000 Common Shares; and $8,175,000.00 - 1,500,000 Flow-Through Shares Price: $4.30 per Common Share $5.45 per Flow-Through Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.
Peter & Co. Limited
Dundee Securities Corporation
GMP Securities L.P.
Blackmont Capital Inc.
Tristone Capital Inc.
Promoter(s):
-
Project #1122103

Issuer Name:
Otelco Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 29, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
US$59,400,000.00 (C$63,118,440.00) - 3,000,000 INCOME DEPOSIT SECURITIES (IDSs)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
UBS Securities Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1095926

Issuer Name:
Pizza Pizza Royalty Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 27, 2007
Mutual Reliance Review System Receipt dated June 27, 2007
Offering Price and Description:
$23,790,000.00 - 2,600,000 Subscription Receipts each representing the right to receive one Unit Price: $9.15 per Subscription Receipt
Underwriter(s) or Distributor(s):
TD Securities Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Promoter(s):
Pizza Pizza Limited
Project #1120482

_____

Issuer Name:
RBC Canadian T-Bill Fund
(Series A, Series D, Series I and Series O Units)
RBC Canadian Money Market Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Premium Money Market Fund
(Series A and Series F Units)
RBC $U.S. Money Market Fund
(Series A, Series D, Series I and Series O Units)
RBC Canadian Short-Term Income Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Bond Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Advisor Canadian Bond Fund
(Advisor Series and Series F Units)
RBC Canadian Bond Index Fund
(Series A Units)
RBC Monthly Income Fund
(Series A, Advisor Series, Series D, Series F and Series O Units)
RBC $U.S. Income Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Global Bond Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Global Corporate Bond Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Global High Yield Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Cash Flow Portfolio
(Series A and Advisor Series Units)
RBC Enhanced Cash Flow Portfolio
(Series A and Advisor Series Units)
RBC Balanced Fund
(Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O Units)
RBC Tax Managed Return Fund
(Series A, Advisor Series, Series D, Series F and Series O Units)
RBC Balanced Growth Fund
(Series A, Advisor Series, Series T, Series D and Series F Units)
RBC Jantzi Balanced Fund
(Series A, Series D and Series F Units)
RBC Select Conservative Portfolio
(Series A and Advisor Series Units)
RBC Select Balanced Portfolio
(Series A and Advisor Series Units)
RBC Select Growth Portfolio
(Series A and Advisor Series Units)
RBC Select Aggressive Growth Portfolio
(Series A and Advisor Series Units)
RBC Select Choices Conservative Portfolio
(Series A and Advisor Series Units)
RBC Select Choices Balanced Portfolio
(Series A and Advisor Series Units)
RBC Select Choices Growth Portfolio
(Series A and Advisor Series Units)

RBC Select Choices Aggressive Growth Portfolio
(Series A and Advisor Series Units)
RBC Target 2010 Education Fund
(Series A Units)
RBC Target 2015 Education Fund
(Series A Units)
RBC Target 2020 Education Fund
(Series A Units)
RBC Target 2025 Education Fund
(Series A Units)
RBC Canadian Dividend Fund
(Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O Units)
RBC Canadian Equity Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC Jantzi Canadian Equity Fund
(Series A, Series D and Series F Units)
RBC Canadian Index Fund
(Series A Units)
RBC O'Shaughnessy Canadian Equity Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC O'Shaughnessy All-Canadian Equity Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Canadian Diversified Income Trust Fund
(Series A, Advisor Series, Series D, Series F and Series O Units)
RBC North American Dividend Fund
(Series A, Advisor Series, Series T, Series D, Series F and Series O Units)
RBC North American Value Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC North American Growth Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC U.S. Equity Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC U.S. Equity Currency Neutral Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC U.S. Index Fund
(Series A Units)
RBC U.S. Index Currency Neutral Fund
(Series A Units)
RBC O'Shaughnessy U.S. Value Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC U.S. Mid-Cap Equity Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC U.S. Mid-Cap Equity Currency Neutral Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC O'Shaughnessy U.S. Growth Fund
(Series A, Series D, Series F and Series O Units)
RBC Life Science and Technology Fund
(Series A, Series D and Series F Units)
RBC International Equity Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC International Index Currency Neutral Fund
(Series A Units)
RBC O'Shaughnessy International Equity Fund
(Series A, Advisor Series, Series D, Series F, Series I and Series O Units)
RBC European Equity Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC Asian Equity Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC Global Dividend Growth Fund
(formerly RBC Global Titans Fund)
(Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O Units)
RBC Jantzi Global Equity Fund
(Series A, Series D, and Series F Units)
RBC O'Shaughnessy Global Equity Fund
(Series A, Advisor Series, Series D, Series F and O Series Units)
RBC Global Energy Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Global Precious Metals Fund
(Series A, Advisor Series, Series D, Series F and Series I Units)
RBC Global Consumer and Financials Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Global Health Sciences Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Global Resources Fund
(Series A, Advisor Series, Series D and Series F Units)
RBC Global Technology Fund
(Series A, Advisor Series, Series D and Series F Units)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated July 3, 2007
Mutual Reliance Review System Receipt dated July 3, 2007

Offering Price and Description:
Series A, Advisor Series, Series T, Series D, Series F, Series I and Series O Units @ Net Asset Value

Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
RBC Direct Investing Inc.
Royal Mutual Funds Inc.
RBC Asset Management Inc.
RBC Dominion Securities Inc.
Royal Mutual Funds Inc./RBD Direct Investing Inc.

Promoter(s):
RBC Asset Management Inc.

Project #1108387

Issuer Name:
Shield Gold Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 26, 2007
Mutual Reliance Review System Receipt dated June 29, 2007
Offering Price and Description:
Minimum Offering: $500,000.00 - 2,500,000 Common Shares; Maximum Offering: $700,000.00 - 3,500,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Global Securities Corporation
Promoter(s):
John Siriunas
Project #1059915

Issuer Name:
Urbana Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 29, 2007
Mutual Reliance Review System Receipt dated July 3, 2007
Offering Price and Description:
Units - Comprised of 1 Non-voting Class A Share and 1/2 of 1 Series A Non-Voting Class A Share Purchase Warrant Price: $3.10 per Unit Maximum Offering: 32,260,000 Units ($100,006,000.00)
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:
Brookshire Diversified Global Clean Energy Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated May 1st, 2007
Withdrawn on July 3rd, 2007
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Raymond James Limited
Blackmont Capital Inc.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Brookshire Raw Materials Group Inc.
Project #1095112

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Bioenterprise Corporation	Limited Market Dealer	July 4, 2007

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Central Regional Council Hearing Panel Makes Findings Against Robert Brick

NEWS RELEASE
For immediate release

MFDA CENTRAL REGIONAL COUNCIL HEARING PANEL MAKES FINDINGS AGAINST ROBERT BRICK

June 28, 2007 (Toronto, Ontario) – A disciplinary hearing in the Matter of Robert Brick was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") in Toronto, Ontario.

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

(a) The Respondent is permanently prohibited from conducting securities-related business in any capacity while in the employ of, or associated with, any MFDA Member from the date of this Order, pursuant to section 24.1.1(e) of MFDA By-Law No. 1;

(b) The Respondent shall pay a fine in the amount of $219,000, for failing to deal with clients fairly, honestly and in good faith, pursuant to section 24.1.1(b) of MFDA By-Law No. 1;

(c) The Respondent shall pay a fine in the amount of $50,000, for failing to cooperate with an investigation, pursuant to section 24.1.1(b) of MFDA By-Law No. 1; and

(d) The Respondent shall pay costs in the amount of $7,500 for the investigation and prosecution of this matter, pursuant to section 24.2 of MFDA By-Law No. 1.

A copy of the Notice of Hearing and the Order are 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 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

13.1.2 MFDA Central Regional Council Hearing Panel Makes Findings Against Cory Piggott

NEWS RELEASE
For immediate release

MFDA CENTRAL REGIONAL COUNCIL HEARING PANEL MAKES FINDINGS AGAINST CORY PIGGOTT

June 28, 2007 (Toronto, Ontario) – A disciplinary hearing in the Matter of Cory Piggott was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") in Toronto, Ontario.

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

(a) The Respondent is permanently prohibited from conducting securities-related business in any capacity while in the employ of, or associated with, any MFDA Member from the date of this Order, pursuant to section 24.1.1(e) of MFDA By-Law No. 1;

(b) The Respondent shall pay a fine in the amount of $64,065.22, for misappropriation of client funds, pursuant to section 24.1.1(b) of MFDA By-Law No. 1;

(c) The Respondent shall pay a fine in the amount of $50,000, for failing to cooperate with an investigation, pursuant to section 24.1.1(b) of MFDA By-Law No. 1; and

(d) The Respondent shall pay costs in the amount of $7,500 for the investigation and prosecution of this matter, pursuant to section 24.2 of MFDA By-Law No. 1.

A copy of the Notice of Hearing and the Order are 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 Approved Persons with a mandate to protect investors and the public interest.

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13.1.3 MFDA issues Notice of Hearing regarding John Moro

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING JOHN MORO

July 3, 2007 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against John Moro.

MFDA staff alleges in its Notice of Hearing that Mr. Moro engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Pre-Signed Forms

As of October 4, 2006, the Respondent had in his possession 44 pre-signed trading forms in respect of eight client accounts contrary to MFDA Rule 2.1.1(b), and MFDA Rule 2.1.1(c).

Allegation #2: Discretionary Trading

Between June 6, 2005 and September 25, 2006, the Respondent used pre-signed forms on 16 separate occasions to effect redemptions in the accounts of clients DR, VR, MY, LC without prior instructions from each client specifying the account from which the redemption should be made or which funds should be redeemed, contrary to section 98 of *Regulation 1015 made under the Securities Act*, and MFDA Rule 2.1.1(b).

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, August 29, 2007 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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13.1.4 MFDA issues Notice of Hearing regarding Michael MacDonald

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING MICHAEL MACDONALD

July 3, 2007 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Michael MacDonald.

MFDA staff alleges in its Notice of Hearing that Mr. MacDonald engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

> Allegation #1: Since January 8, 2007, the Respondent has failed to attend at the offices of the MFDA to give information concerning an investigation of his conduct while he was an Approved Person, contrary to s. 22.1(c) of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, August 30, 2007 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.5 MFDA Hearing Panel issues Decision and Reasons respecting Keith Oswald Wong Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION AND REASONS RESPECTING KEITH OSWALD WONG DISCIPLINARY HEARING

July 3, 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 June 19, 2007 in respect of Keith Oswald Wong.

A copy of the Decision and Reasons is available on the MFDA website at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 162 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
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