

The Ontario Securities Commission

# OSC Bulletin

January 25, 2008

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

**The Ontario Securities Commission**

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Toronto, Ontario  
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# Table of Contents

<p><b>Chapter 1 Notices / News Releases ..... 969</b></p> <p><b>1.1 Notices ..... 969</b></p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission ..... 969</p> <p>1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Dormant Participant Procedures ..... 973</p> <p><b>1.2 Notices of Hearing..... 973</b></p> <p>1.2.1 Shallow Oil &amp; Gas Inc. et al. - ss. 127(7), 127(8)..... 973</p> <p><b>1.3 News Releases ..... 974</b></p> <p>1.3.1 Jose L. Castaneda ..... 974</p> <p><b>1.4 Notices from the Office of the Secretary ..... 975</b></p> <p>1.4.1 Jose L. Castaneda ..... 975</p> <p>1.4.2 Swift Trade Inc. and Peter Beck ..... 975</p> <p>1.4.3 Shallow Oil &amp; Gas Inc. et al. .... 976</p> <p>1.4.4 Sulja Bros. Building Supplies, Ltd. (Nevada) et al. .... 976</p> <p>1.4.5 Norshield Asset Management (Canada) Ltd. et al. .... 977</p> <p>1.4.6 Global Partners Capital et al. .... 977</p> <p><b>Chapter 2 Decisions, Orders and Rulings ..... 979</b></p> <p><b>2.1 Decisions ..... 979</b></p> <p>2.1.1 TD Asset Management Inc. et al. - MRRS Decision ..... 979</p> <p>2.1.2 VGS Seismic Canada Inc. - MRRS Decision ..... 982</p> <p>2.1.3 Creststreet Resource Class - MRRS Decision ..... 984</p> <p>2.1.4 Infolink Technologies Ltd. - MRRS Decision ..... 986</p> <p>2.1.5 6886116 Canada Ltd. et al. - MRRS Decision ..... 989</p> <p>2.1.6 Ivory Energy Inc. - MRRS Decision ..... 992</p> <p><b>2.2 Orders..... 999</b></p> <p>2.2.1 Jose L. Castaneda - s. 127 ..... 999</p> <p>2.2.2 Marsulex Inc. .... 1000</p> <p>2.2.3 Swift Trade Inc. and Peter Beck - s. 127 ..... 1003</p> <p>2.2.4 Shallow Oil &amp; Gas Inc. et al. - ss. 127(1), 127(5)..... 1003</p> <p>2.2.5 Sulja Bros. Building Supplies, Ltd. (Nevada) et al. .... 1004</p> <p>2.2.6 Norshield Asset Management (Canada) Ltd. et al. .... 1005</p> <p>2.2.7 Global Partners Capital et al. - ss. 127(1), 127(8)..... 1005</p> <p><b>2.3 Rulings ..... (nil)</b></p> <p><b>Chapter 3 Reasons: Decisions, Orders and Rulings ..... (nil)</b></p> <p><b>3.1 OSC Decisions, Orders and Rulings ..... (nil)</b></p> <p><b>3.2 Court Decisions, Order and Rulings..... (nil)</b></p>	<p><b>Chapter 4 Cease Trading Orders ..... 1007</b></p> <p>4.1.1 Temporary, Permanent &amp; Rescinding Issuer Cease Trading Orders..... 1007</p> <p>4.2.1 Temporary, Permanent &amp; Rescinding Management Cease Trading Orders ..... 1007</p> <p>4.2.2 Outstanding Management &amp; Insider Cease Trading Orders ..... 1007</p> <p><b>Chapter 5 Rules and Policies ..... 1009</b></p> <p>5.1.1 MI 11-102 Passport System, Companion Policy 11-102CP Passport System, Related Consequential Amendments to NI 11-202 Process for Prospectus Reviews in Multiple Jurisdictions and NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, and Rescission of NP 12-201 Mutual Reliance Review System for Exemptive Relief Applications and NP 43-201 Mutual Reliance Review System for Prospectuses ..... 1009</p> <p><b>Chapter 6 Request for Comments ..... (nil)</b></p> <p><b>Chapter 7 Insider Reporting ..... 1103</b></p> <p><b>Chapter 8 Notice of Exempt Financings..... 1195</b></p> <p>Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 ..... 1195</p> <p><b>Chapter 9 Legislation..... (nil)</b></p> <p><b>Chapter 11 IPOs, New Issues and Secondary Financings..... 1205</b></p> <p><b>Chapter 12 Registrations..... 1211</b></p> <p>12.1.1 Registrants..... 1211</p> <p><b>Chapter 13 SRO Notices and Disciplinary Proceedings ..... 1213</b></p> <p>13.1.1 Commission Approval to CDS Procedures Relating to Dormant Participant Procedures ..... 1213</p> <p><b>Chapter 25 Other Information ..... 1215</b></p> <p><b>25.1 Exemptions ..... 1215</b></p> <p>25.1.1 Brompton 2008 Flow-Through LP - OSC Rule 41-501 General Prospectus Requirements, Part 15..... 1215</p> <p>25.1.2 MSP 2008 Flow-Through Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, Part 15..... 1216</p> <p>25.1.3 Creststreet 2008 Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, s. 15.1..... 1217</p>
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**Table of Contents**

---

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25.1.4 BluMont Augen Limited Partnership 2008  
- OSC Rule 41-501 General Prospectus  
Requirements, s. 15.1 ..... 1218

**25.2 Approvals ..... 1219**

25.2.1 QAM Administrative Services Inc.  
- s. 13(3)(b) of the LTCA..... 1219

**Index ..... 1221**

## Chapter 1

# Notices / News Releases

### 1.1 Notices

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

**JANUARY 25, 2008**

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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

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

Telephone: 416-597-0681 Telecopier: 416-593-8348

#### CDS

#### TDX 76

Late Mail depository on the 19<sup>th</sup> Floor until 6:00 p.m.

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Lawrence E. Ritchie, Vice Chair	—	LER
Paul K. Bates	—	PKB
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Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

January 30, 2008		<b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b>
	2:00 p.m.	

s. 127(7) and 127(8)

M. Boswell in attendance for Staff

Panel: JEAT

January 31, 2008		<b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b>
	10:00 a.m.	

s. 127 & 127(1)

D. Ferris in attendance for Staff

Panel: JEAT

February 13, 2008		<b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b>
	10:00 a.m.	

s. 127

M. Mackewn in attendance for Staff

Panel: RLS/ST

February 15, 2008		<b>Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman</b>
	10:00 a.m.	

s. 127

H. Craig in attendance for Staff

Panel: PJL/ST

February 19, 2008		<b>Jose Castaneda</b>
	2:30 p.m.	

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: WSW/ST

February 22, 2008 10:00 a.m.	<b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: JEAT	March 25, 2008 10:00 a.m.	<b>Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels</b>  s. 127(1) & 127(5)  M. Vaillancourt in attendance for Staff  Panel: JEAT
February 27, 2008 10:00 a.m.	<b>John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services</b>  s. 127 and 127.1  S. Horgan in attendance for Staff  Panel: RLS/DLK/MCH	March 28, 2008 10:00 a.m.	<b>Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson</b>  s.127  J. Superina in attendance for Staff  Panel: LER/MCH
March 4, 2008 2:30 p.m.	<b>Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers &amp; Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton</b>  s. 127  C. Price in attendance for Staff  Panel: JEAT/MCH	March 28, 2008 10:00 a.m.	<b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b>  s. 127 & 127.1  J. S. Angus in attendance for Staff  Panel: JEAT/ST
March 5, 2008 10:00 a.m.	<b>Swift Trade Inc. and Peter Beck</b>  s. 127  S. Horgan in attendance for Staff  Panel: JEAT	March 28, 2008 11:00 a.m.	<b>Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al</b>  s. 127(1) & (5)  S. Horgan in attendance for Staff  Panel: JEAT/CSP
March 25, 2008 10:00 a.m.	<b>Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith</b>  s. 127  M. Vaillancourt in attendance for Staff  Panel: JEAT	March 31, 2008 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA

<p>April 2, 2008 10:00 a.m.</p>	<p><b>Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.</b></p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	<p>May 27, 2008 2:30 p.m.</p>	<p><b>Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky</b></p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: WSW/DLK</p>
<p>April 7, 2008 2:30 p.m.</p>	<p><b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b></p> <p>s.127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	<p>June 24, 2008 2:30 p.m.</p>	<p><b>David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co.</b></p> <p>s. 127 and 127.1</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 5, 2008 10:00 a.m.</p>	<p><b>John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir</b></p> <p>S. 127 &amp; 127.1</p> <p>I. Smith in attendance for Staff</p> <p>Panel: TBA</p>	<p>July 14, 2008 10:00 a.m.</p>	<p><b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 5, 2008 10:00 a.m.</p>	<p><b>Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas</b></p> <p>s.127</p> <p>P. Foy in attendance for Staff</p> <p>Panel: WSW/DLK</p>	<p>November 3, 2008 10:00 a.m.</p>	<p><b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b></p> <p>s. 127</p> <p>E. Cole in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<b>Yama Abdullah Yaqeen</b>  s. 8(2)  J. Superina in attendance for Staff  Panel: TBA	<b><u>ADJOURNED SINE DIE</u></b>  <b>Global Privacy Management Trust and Robert Cranston</b>  <b>Andrew Keith Lech</b>  <b>S. B. McLaughlin</b>
TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>  s. 127  J. Waechter in attendance for Staff  Panel: TBA	<b>Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol</b>  <b>Andrew Stuart Netherwood Rankin</b>  <b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b>
TBA	<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>  s. 127  K. Daniels in attendance for Staff  Panel: TBA	<b>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</b>  <b>Euston Capital Corporation and George Schwartz</b>
TBA	<b>Shane Suman and Monie Rahman</b>  s. 127 & 127(1)  K. Daniels in attendance for Staff  Panel: TBA	<b>Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy</b>  <b>Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia</b>
TBA	<b>Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels</b>  s. 127 and 127.1  D. Ferris in attendance for Staff  Panel: JEAT/ST	
TBA	<b>Stanton De Freitas</b>  s. 127 and 127.1  P. Foy in attendance for Staff  Panel: JEAT/ST	
TBA	<b>Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans</b>  s. 127 & 127(1)  J. Corelli in attendance for Staff  Panel: WSW/DLK/KJK	



**1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Dormant Participant Procedures**

**CDS CLEARING AND DEPOSITORY SERVICES INC.  
(CDS®)**

**MATERIAL AMENDMENTS TO CDS PROCEDURES**

**DORMANT PARTICIPANT PROCEDURES**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on January 22, 2008 amendments filed by CDS to its procedures relating to dormant participant procedures. The objective of these rule amendments is to explicitly reflect the process by which the status of a CDS participant can be changed from active to dormant, and from dormant to active. A copy and description of these amendments were published for comment on November 16, 2007 at (2007) 30 OSCB 9614. No comment letters were received. A nonmaterial change has been made to the proposed rule amendments that were originally published, and a black-lined version highlighting the change is being published in Chapter 13 of this Bulletin.

**1.2 Notices of Hearing**

**1.2.1 Shallow Oil & Gas Inc. et al. - ss. 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
SHALLOW OIL & GAS INC., ERIC O'BRIEN,  
ABEL DA SILVA, GURDIP SINGH GAHUNIA  
also known as MICHAEL GAHUNIA, and  
ABRAHAM HERBERT GROSSMAN  
aka ALLEN GROSSMAN**

**NOTICE OF HEARING  
Sections 127(7) and 127(8)**

**WHEREAS** on January 16, 2008, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering: that all trading in securities by Shallow Oil & Gas Inc. shall cease; that all trading in Shallow Oil & Gas Inc. securities shall cease; and, that Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia, also known as Michael Gahunia, and Abraham Herbert Grossman, also known as Allen Grossman, are ordered to cease trading in all securities;

**TAKE NOTICE THAT** the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, Small Hearing Room, commencing on January 30, 2008 at 2:00 p.m., or as soon thereafter as the hearing can be held;

**TO CONSIDER** whether it is in the public interest for the Commission:

- 1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;
- 2) to make such further orders as the Commission considers appropriate;

**BY REASON OF** the facts recited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this "18th" day of January 2008

"John Stevenson"  
Secretary

1.3 News Releases

1.3.1 Jose L. Castaneda

FOR IMMEDIATE RELEASE  
January 22, 2008

ONTARIO COURT SENTENCES  
JOSE L. CASTANEDA

**TORONTO** – On Friday, January 18, 2008, Justice Fairgrieve of the Ontario Court of Justice sentenced Jose L. Castaneda to two years less a day imprisonment on one count of fraud over \$5000, pursuant to the *Criminal Code*.

In addition, Mr. Castaneda received a six-month sentence of imprisonment for trading in securities without being registered to do so, and a separate six-month sentence of imprisonment for contravening Ontario Securities Law by trading in securities while subject to a cease-trade order issued by the Ontario Securities Commission (OSC). The three sentences will be served concurrently.

Pursuant to the restitution order provisions of the *Criminal Code*, Justice Fairgrieve also ordered Mr. Castaneda to make payments totalling \$848,500 to his victims.

The OSC proceedings against Jose L. Castaneda before a Commission panel will continue on February 19, 2008.

For media inquiries: Wendy Dey  
Director, Communications  
& Public Affairs  
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Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

**1.4 Notices from the Office of the Secretary**

**1.4.1 Jose L. Castaneda**

**FOR IMMEDIATE RELEASE  
January 16, 2008**

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

**AND**

**IN THE MATTER OF  
JOSE L. CASTANEDA**

**TORONTO** – The Commission issued an Order today on consent of all parties in the above named matter adjourning the matter to be spoken to on February 19, 2008 at 2:30 p.m. or on such date as directed by the Commission.

A copy of the Order dated January 16, 2008 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

**1.4.2 Swift Trade Inc. and Peter Beck**

**FOR IMMEDIATE RELEASE  
January 18, 2008**

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

**AND**

**IN THE MATTER OF  
SWIFT TRADE INC. AND PETER BECK**

**TORONTO** – Following a hearing held today, the Commission issued an Order which provides that, the hearing be adjourned to Wednesday, March 5, 2008 at 10 a.m. to be spoken to, or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission.

A copy of the Order dated January 18, 2008 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
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SECRETARY

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1-877-785-1555 (Toll Free)

1.4.3 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE  
January 22, 2008

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

AND

IN THE MATTER OF  
SHALLOW OIL & GAS INC., ERIC O'BRIEN,  
ABEL DA SILVA, GURDIP SINGH GAHUNIA  
also known as MICHAEL GAHUNIA, and  
ABRAHAM HERBERT GROSSMAN  
aka ALLEN GROSSMAN

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on January 18, 2008 setting the matter down to be heard on January 30, 2008 at 2:00 p.m. to consider whether it is in the public interest for the Commission:

- (1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and
- (2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated January 18, 2008 and Temporary Order dated January 16, 2008 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

1.4.4 Sulja Bros. Building Supplies, Ltd. (Nevada) et al.

FOR IMMEDIATE RELEASE  
January 22, 2008

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

AND

IN THE MATTER OF  
SULJA BROS. BUILDING SUPPLIES, LTD. (NEVADA),  
SULJA BROS. BUILDING SUPPLIES LTD.,  
KORE INTERNATIONAL MANAGEMENT INC.,  
PETAR VUCICEVICH AND ANDREW DeVRIES

**TORONTO** –The Commission issued an Order today in the above noted matter continuing the Temporary Order until March 28, 2008.

A copy of the Order dated January 22, 2008 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

1.4.5 Norshield Asset Management (Canada) Ltd. et al.

FOR IMMEDIATE RELEASE  
January 22, 2008

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

AND

IN THE MATTER OF  
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.,  
OLYMPUS UNITED GROUP INC.,  
JOHN XANTHOUDAKIS, DALE SMITH  
AND PETER KEFALAS

**TORONTO** – The Commission issued an Order today which provides that the dates set by the Commission for the hearing of pre-hearing motions are adjourned to February 7 and 8, 2008 at 10:00 a.m. at the offices of the Commission on the 17th floor of 20 Queen St. West in Toronto.

A copy of the Order dated January 22, 2008 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

Carolyn Shaw-Rimington  
Assistant Manager,  
Public Affairs  
416-593-2361

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

1.4.6 Global Partners Capital et al.

FOR IMMEDIATE RELEASE  
January 22, 2008

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

AND

IN THE MATTER OF  
GLOBAL PARTNERS CAPITAL,  
WS NET SOLUTION, INC.,  
HAU WAI CHEUNG, CHRISTINE PAN,  
GURDIP SINGH GAHUNIA

**TORONTO** – Following a hearing held today in the above noted matter, the Commission ordered that the Temporary Order be extended until the conclusion of the hearing on the merits.

A copy of the Order dated January 22, 2008 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries: Wendy Dey  
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416-593-8120

Laurie Gillett  
Manager, Public Affairs  
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Assistant Manager,  
Public Affairs  
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For investor inquiries: OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

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## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 TD Asset Management Inc. et al. - MRRS Decision

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from prohibition in the Regulation against an investment counsel purchasing and selling any security in which an investment counsel or any partner, officer or associate of the investment counsel has a direct or indirect beneficial interest from or to a portfolio managed or supervised by the investment counsel – The relief will enable a portfolio manager, also an investment counsel, on behalf of certain mutual funds, to purchase and sell mortgages from and to affiliates of the portfolio manager past November 1, 2007 – The relief is conditioned on terms which contemplate approval by the funds' independent review committee established under National Instrument 81-107 Independent Review Committee for Investment Funds and consistency with the requirements of NP 29 concerning disclosure and valuation of mortgage securities purchased and sold by the funds.

##### Applicable Legislative Provisions

Ontario Regulation 1015 General Regulation, s. 115(6).  
Securities Act (Ontario), s. 147.

January 3, 2008

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

AND

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

AND

IN THE MATTER OF  
TD ASSET MANAGEMENT INC. (THE FILER)

AND

TD MORTGAGE FUND,  
TD SHORT TERM BOND FUND,  
TD MONTHLY INCOME FUND,  
TD PRIVATE CANADIAN BOND INCOME FUND,  
TD PRIVATE CANADIAN CORPORATE BOND FUND  
AND TD PRIVATE CANADIAN BOND RETURN FUND

### MRRS DECISION DOCUMENT

#### Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the provinces of Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador (the **Jurisdictions**) has received an application from the Filer, in its own capacity and on behalf of TD Mortgage Fund, (the **Mortgage Fund**), TD Short Term Bond Fund and TD Monthly Income Fund (collectively, the **Income Funds**), TD Private Canadian Bond Income Fund, TD Private Canadian Corporate Bond Fund and TD Private Canadian Bond Return Fund (collectively, the **Private Funds** and together with the Mortgage Fund and Income Funds, the **Funds**, and individually, the **Fund**) for a decision (the **Decision**) under the securities legislation of the Jurisdictions (the **Legislation**) that the provisions of the Legislation prohibiting the purchase or sale of any security in which an investment counsel or any partner, officer or associate of an investment counsel has a direct or indirect beneficial interest from or to any portfolio managed or supervised by the investment counsel (the **Related Ownership Prohibition** or the **Requested Relief**) does not apply to the Filer, in respect of the purchase or sale of mortgages that the Filer may cause a Fund to enter into with affiliates of the Filer.

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

#### Interpretation

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

#### Representations

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

1. The Filer is a corporation established under and governed by the laws of Ontario and is the manager, portfolio adviser and trustee of each of the Funds. It is registered with all the provincial and territorial securities regulators as an investment counselor and portfolio manager or their equivalents, registered as a limited market

- dealer with the OSC and the Securities Commission of Newfoundland and Labrador, and registered as a commodity trading manager with the OSC. The Filer is a wholly-owned subsidiary of The Toronto-Dominion Bank (the **Bank**). The head office of the Filer is located in Toronto, Ontario.
2. Each of the Funds is an open-ended mutual fund trust established under the laws of Ontario. Units of the Funds are qualified for sale in each of the provinces and territories of Canada (the **Prospectus Jurisdictions**) under a number of simplified prospectuses and annual information forms filed in and accepted by each of the Prospectus Jurisdictions (collectively, such prospectuses and annual information forms are referred to herein as the **Prospectus**).
  3. The investment objective of the Mortgage Fund, as disclosed in its current Prospectus, is to provide a steady stream of interest income by investing in a diversified portfolio consisting primarily of high-quality Canadian residential mortgages bought from and administered by the TD Bank Financial Group. It may invest in uninsured conventional mortgages, mortgages insured under the National Housing Act or by an insurance company and Canadian mortgage-backed securities.
  4. The Income Funds and the Private Funds are not precluded from investing in "guaranteed mortgages" as defined in National Instrument 81-102 - Mutual Funds.
  5. The Funds were granted relief (although not the Requested Relief) in connection with the purchase and sale of mortgages between the Funds and the Bank and The Canada Trust Company (collectively, the **TDAM Affiliates** or a **TDAM Affiliate**) pursuant to an MRRS Decision Document dated October 19, 2001 (the **Prior MRRS Decision**) and a letter dated October 19, 2001, (the **Prior 81-102 Relief**) (the Prior MRRS Decision and Prior 81-102 Relief are collectively, the **Prior Relief**).
  6. Section 7.2 of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* will cause the Prior Relief to expire on November 1, 2007. Section 7.2 of NI 81-107 provides that any exemption under a provision of securities legislation that was effective before NI 81-107 came into force and that deals with the matters that NI 81-107 regulates will expire on November 1, 2007. Accordingly, the Prior Relief will expire on November 1, 2007.
  7. NI 81-107 does not provide an exemption for principal trading of securities of the type contemplated by the Requested Relief.
  8. In order for the Funds to continue to have the ability to purchase/sell mortgages from/to the TDAM Affiliates, the Filer needs, and has applied for, discretionary relief to replace the Prior Relief as well as from the Related Ownership Prohibition.
  9. The Filer will not cause any Income Fund or Private Fund to purchase guaranteed mortgages, whether or not from the TDAM Affiliates if, immediately after the purchase, more than 10 percent of the net assets of the Income Fund or Private Fund, taken at market value at the time of the purchase, would consist of guaranteed mortgages.
  10. National Policy Statement No. 29 (**NP 29**) permits a mutual fund to acquire mortgages from a lending institution on a non-arm's length basis, subject to compliance with specified pricing or valuation and disclosure conditions.
  11. The Filer will cause a Fund to purchase/sell a mortgage (in the case of the Mortgage Fund) or a guaranteed mortgage (in the case of the Income Funds and the Private Funds) from/to a TDAM Affiliate only if
    - (a) the transaction is made in accordance with clause 2.4(c) of Section III of NP 29 such that:
      - (i) the purchase or sale is made at the principal amount which will produce a yield to the Fund of not more than a quarter of one percent less than the interest rate at which the TDAM Affiliate is making commitments, at the time of purchase, to loan on the security of comparable mortgages or guaranteed mortgages; and
      - (ii) in the case of a purchase of a mortgage or guaranteed mortgage, as the case may be:
        - (A) the TDAM Affiliate that sells it to the Fund enters into an agreement (the **Repurchase Agreement**) with the Fund whereby the TDAM Affiliate that sells the mortgage or guaranteed mortgage is obligated to repurchase it if the mortgage or guaranteed mortgage goes into default for more than 90 days and in circumstances benefiting the Fund;



- (B) the Filer considers that the Repurchase Agreement is sufficient to justify the difference in yield referred to in subparagraph (a) above; and
  - (b) the Bank guarantees the performance of the other TDAM Affiliate under the Repurchase Agreement referred to in paragraph a(ii) above;
  - (c) the Filer causes the Funds to comply with the disclosure provisions of Section IV of NP 29; and
  - (d) the Filer causes each Fund to include disclosure in its Prospectus that the Fund will engage in principal transactions in mortgages or guaranteed mortgages, as the case may be, with the TDAM Affiliates.
- (b) the IRC of the Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;
  - (c) the manager of the Fund complies with section 5.1 of NI 81-107 and the manager and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
  - (d) each purchase or sale of mortgages by a Fund is made in accordance with the terms and conditions of NP 29 set out in Representations 11 (a) and (b);
  - (e) the Filer causes the Funds to comply with the disclosure provisions set out in Representations 11(c) and (d); and
  - (f) the Fund keeps the written records required by section 6.1(2)(g) of NI 81-107.
12. An independent review committee (**IRC**) has been constituted for each of the Funds, and other mutual funds managed by the Filer, in accordance with the requirements by NI 81-107.
13. The IRC has, or prior to November 1, 2007 will have, reviewed and assessed the adequacy and effectiveness of the Filer's Mortgage Fund Policies and Procedures regarding the purchase and sale of mortgages between the Funds and the TDAM Affiliates (**Mortgage Transactions**) and issued standing instructions to the Filer approving Mortgage Transactions carried out in accordance with the Filer's Mortgage Fund Policies and Procedures; and
14. In the absence of this Decision, the Filer is prohibited by the Related Ownership Investment Prohibition from causing the Funds to purchase or sell mortgages or guaranteed mortgages, as the case may be, in which TDAM or any partner, officer or associate of TDAM has a direct or indirect beneficial interest.

"Wendell S. Wigle"  
Commissioner  
Ontario Securities Commission

"Paul K. Bates"  
Commissioner  
Ontario Securities Commission

**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, pursuant to the Legislation, is that the Requested Relief is granted provided that:

- (a) the purchase or sale is consistent with, or is necessary to meet, the investment objective of the Fund;

**2.1.2 VGS Seismic Canada Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Applications – Related party transaction – amendment to existing credit facility provided by a related party – issuer has disclosed details of the transaction in a press release and in a material change report – amendments were negotiated and approved by an independent committee of the board – outside shareholders who intend to provide written consents to the transaction own more than 74% of the shares held by all minority shareholders, approval of the transaction by majority of minority shareholders at a shareholders’ meeting would be foregone conclusion – issuer will post information circular on SEDAR, send a copy to all outside shareholders considering the transaction and send a copy to any shareholder who requests it – exemption from shareholders’ meeting and information circular requirements granted provided written consent is obtained.

**Rule Cited**

Rule 61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 5.4, 9.1.

**December 28, 2007**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO AND QUEBEC  
(the “Jurisdictions”)**

**AND**

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

**AND**

**IN THE MATTER OF  
VGS SEISMIC CANADA INC.  
(the “Filer”)**

**MRRS DECISION DOCUMENT**

**Background**

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

- (a) the Amendments (as defined below) be approved at a meeting of the shareholders of the Filer; and
- (b) an information circular be sent to shareholders of the Filer in connection with the Amendments,

be waived (the “Requested Relief”).

Under the Mutual Reliance System for Exemptive Relief (“MRRS”) 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.

**Interpretation**

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

**Representations**

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

1. The Filer is a corporation existing under the *Canada Business Corporation Act* and conducts a seismic database business in western Canada.
2. The Filer is a reporting issuer in each of the Provinces of Canada and is not in default under the securities legislation of any of the jurisdictions.
3. The authorized capital of the Filer consists of an unlimited number of each of Class A Common Shares (the “Class A Shares”), Class B Non-Voting Common Shares (the “Class B Shares”), Non-Voting Preferred Shares and Class A Non-Voting Preferred Shares, of which 25,940,986 Class A Shares and 5,380,785 Class B Shares are outstanding. The Class A Shares are listed on the TSX Venture Exchange.
4. Plainfield Special Situation Master Fund Limited, which is an affiliate of Plainfield Offshore Holdings VI Inc. (“Plainfield”), owns greater than 10% of the outstanding Class A Shares and an executive of an affiliate of Plainfield is a member of the board of directors of the Filer.
5. In early December 2006, Plainfield extended a credit facility to the Filer (the “Credit Facility”). The Credit Facility includes a convertible debenture which, if fully converted, and warrants, which is fully exercised, would together increase the Class A Shares held by Plainfield and its affiliates to approximately 44% of the Class A Shares, on a fully diluted basis.
6. The Filer and Plainfield have negotiated certain amendments to the Credit Facility to ensure that funds are available to the Filer to conduct its operation in the winter 2007-2008 seismic acquisition season (the “Amendments”).
7. The terms of the Amendments were negotiated by a special committee of the board of directors of the Filer which exclude those members of the

board who are a member of management or a representative of Plainfield.

8. The special committee considered the Amendments and recommended the approval of the Amendments. In connection with its consideration, the special committee received advice from an independent financial advisor. On receipt of the recommendation of the special committee, the board of directors of the Filer considered and approved the Amendments.
9. Implementation of the Amendments is subject to the certain number of conditions, including, without limitation, the approval of applicable regulatory authorities and approval of a majority of the minority shareholders of the Filer.
10. Plainfield is a "related party" of the Filer pursuant to the Legislation because its affiliate owns 10% or more of the outstanding Class A Shares and consequently implementation of the Amendments is a "related party transaction" under OSC Rule 61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* ("Rule 61-501") and Autorité des marchés financiers du Québec ("AMF") Regulation Q-27 *Respecting Protection of Minority Shareholders in the Course of Certain Transactions* ("Regulation Q-27").
11. Implementation of the Amendments is exempt from the valuation requirement of Rule 61-501 pursuant to item 3 of section 5.5 of Rule 61-501. By separate application to the AMF, the Filer is seeking an exemption from the valuation requirements of Regulation Q-27.
12. On November 20, 2007, the Filer issued a press release disclosing the details of the Amendments and filed a material change report regarding the Amendments. The Filer has prepared the form of consent (the "Consent") and attached circular to be sent to shareholders of the Filer in connection with seeking their approval of the Amendments. The circular (the "Circular") includes the applicable disclosure required by Form 33 of the Regulation made under the *Securities Act* (Ontario) and Schedule XIV of the Regulation concerning Securities (Quebec).
13. To effect the Amendments, the Filer will obtain minority approval, as that term is defined in the Legislation, calculated in accordance with the terms of section 8.2 of Rule 61-501, and section 8.2 of Regulation Q-27 (the "Minority Approval"), albeit not at a meeting of shareholders, but by written consent.
14. Each shareholder who is considering approval of the Amendment will receive a copy of the Consent and Circular. The Circular will also be posted on

SEDAR and will be sent to any shareholder who requests a copy.

15. The Consent will provide relevant details of the Amendments and include an acknowledgment that the Circular describes the Amendments in sufficient detail to allow shareholders to make an informed decision.

#### Decision

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

The Decision of the Decision Makers under the Legislation is that Requested Relief is granted provided that Minority Approval shall have been obtained by written consent.

"Naizam Kanji"  
Manager, Mergers & Acquisitions

### 2.1.3 Creststreet Resource Class - MRRS Decision

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications.

National Instrument 81-102 Mutual Funds, s. 19.1 – relief from the illiquid investment restrictions – A mutual fund needs relief from the prohibition from acquiring and holding illiquid investments in Section 2.4(1) of NI 81-102 – The mutual fund is a fund established to hold assets rolled over from flow through LPs. The LPs were not restricted from holding illiquid assets. The LPs held more than 10% of their assets in illiquid assets. The mutual fund cannot comply with the prohibitions for a period of time on acquiring or holding illiquid securities. The investors in the mutual fund have previously owned units in the LPs.

#### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.4, 19.1.

January 17, 2008

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

AND

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

AND

IN THE MATTER OF  
CRESTSTREET RESOURCE CLASS  
(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 Creststreet Asset Management Limited (the Manager), on behalf of the Filer, for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements in section 2.4(1) of National Instrument 81-102 *Mutual Funds* (NI 81-102), to permit the Filer to acquire certain illiquid assets from each of Creststreet 2006 Limited Partnership and Creststreet 2006 (II) Limited Partnership (collectively, the Partnerships) on or about January 18, 2008, notwithstanding that, immediately after such acquisition, more than 10% of the net assets of the Filer, taken at

market value at the time of the acquisition, will consist of illiquid assets (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

#### Interpretation

Defined terms contained in National Instrument 14-101, *Definitions*, have the same meaning in this decision unless they are defined in this decision. In addition, the following terms have the following meanings:

“*Athabasca*” means Athabasca Oil Sands Corp., a privately owned oil and gas company;

“*Flow Through Shares*” means common shares of resource issuers that are “flow-through shares” as defined in the ITA;

“*Fund Prospectus*” means the simplified prospectus of the Filer dated November 19, 2007;

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

“*LP Prospectuses*” means the prospectus of Creststreet 2006 Limited Partnership dated February 10, 2006 and the prospectus of Creststreet 2006 (II) Limited Partnership dated August 4, 2006; and

“*Partners*” means the limited partners and the general partner of each Partnership.

#### Representations

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

- 1) The Filer is a class of shares of Creststreet Mutual Funds Limited, a mutual fund corporation established under the Canada Business Corporations Act. The Filer is a reporting issuer in each of the provinces of Canada pursuant to the Fund Prospectus and annual information form dated November 19, 2007. As at December 14, 2007, the Filer had 7,890,107 Series A Shares issued and outstanding.
- 2) All of the assets of Creststreet 2006 Limited Partnership and Creststreet 2006 (II) Limited Partnership, including certain common shares of resource issuers that are Flow-Through Shares, will, pursuant to transfer agreements entered into with the Filer dated February 10, 2006 and August 4, 2006, respectively, be transferred to the Filer on a tax-deferred “rollover” basis in exchange for 2008 Series Shares of the Filer on or about January 18, 2008. The 2008 Series Shares are

- qualified for distribution under the Fund Prospectus.
- 3) The 2008 Series Shares received by each Partnership will have the same aggregate net asset value as the aggregate net asset value of each Partnership, determined on the same basis as the net asset value of the Filer.
- 4) Following the transfer of assets to the Filer, each Partnership will be dissolved and upon dissolution, the Partners will receive their pro rata interest in the 2008 Series Shares on a tax-deferred basis. The 2008 Series Shares will be automatically converted into Series A Shares of the Filer on September 30, 2008 on a one-for-one basis.
- 5) Details surrounding the transfer of assets from each Partnership to the Filer were disclosed in the LP Prospectuses. In addition, the LP Prospectuses and the Fund Prospectus disclosed the fact that the Filer would, if necessary, apply to the relevant securities or regulatory authorities to be exempted from certain investment restrictions applicable to the Filer as required in order to effect the tax-deferred "rollover" of the Partnerships assets in exchange for 2008 Series Shares.
- 6) The Filer will hold and dispose of Flow-Through Shares and other common shares acquired by the Filer from the Partnerships and invest the net proceeds of such dispositions and any cash on hand in a manner consistent with the current investment portfolio of the Filer, being a diversified portfolio consisting principally of equity securities of Canadian issuers.
- 7) The relief requested herein is necessary primarily as a result of the success of the investment made by the Filer in one issuer, Athabasca.
- 8) The Filer currently holds 1,000,000 warrants of Athabasca and Creststreet 2006 (II) Limited Partnership currently holds 330,000 common shares of Athabasca. The Filer received the Athabasca warrants on August 30, 2006 in connection with the purchase of Athabasca common shares, which, at the time, the total investment in Athabasca represented only 2.5% of the net assets of the Filer. Creststreet 2006 (II) Limited Partnership purchased the Athabasca common shares on November 21, 2006 which, at the time, represented only 3.4% of the net assets of Creststreet 2006 (II) Limited Partnership.
- 9) Since August 30, 2006, the value of Athabasca's warrants held by the Filer has increased from \$0 to \$7.44 per warrant. Since November 21, 2006, the value of Athabasca's common shares held by Creststreet 2006 (II) Limited Partnership has increased from \$3.00 to \$8.69, or approximately 190%. As a result, Athabasca's warrants and common shares represent approximately 11.7 and 12.8% of the net assets of the Filer and Creststreet 2006 (II) Limited Partnership, respectively, as of December 14, 2007.
- 10) The Filer and Creststreet 2006 (II) Limited Partnership base their valuations of the Athabasca common shares and warrants on actual prices at which securities of Athabasca have been issued or sold pursuant to transactions completed subsequent to the date of initial purchase by the Filer and Creststreet 2006 (II) Limited Partnership, respectively.
- 11) As at December 31, 2007, the net asset values of Creststreet 2006 Limited Partnership, Creststreet 2006 (II) Limited Partnership and the Filer were \$15,797,160, \$22,754,566 and \$65,681,859, respectively.
- 12) It is expected that, immediately after the transfer of the assets of the Partnerships to the Filer, the Athabasca positions, combined with the other illiquid assets held by the Filer, will represent approximately 17.5% of the net assets of the Filer, taken at market value at the time of the transaction. However, in accordance with sections 2.4(2) and (3) of NI 81-102, the Filer will as quickly as is commercially reasonable, and in any event within 90 days, take all necessary steps to reduce this percentage to 15% or less.
- 13) The transfer of the illiquid assets of the Partnerships to the Filer may constitute a "purchase" of illiquid assets under section 2.4(1) of NI 81-102.
- 14) Substantially all of the shareholders of the Filer are former limited partners of flow-through limited partnerships established by the Manager from time to time and will have had exposure to illiquid assets prior to becoming shareholders of the Filer.
- 15) An amendment to the simplified prospectus and annual information form of the Filer will be filed with the Decision Makers to include disclosure about the relief requested herein, and pending receipt thereof, will be distributed to all new shareholders of the Filer.
- 16) The acquisition by the Filer of the assets from the Partnerships is in compliance with the investment objectives and strategies of the Filer.

**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.

“Leslie Byberg”  
Acting Director, Investment Funds Branch  
Ontario Securities Commission

## 2.1.4 Infolink Technologies Ltd. - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer is not a reporting issuer.

### Applicable Legislative Provisions

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

January 18, 2008

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

AND

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

AND

**IN THE MATTER OF  
INFOLINK TECHNOLOGIES LTD.  
(the Filer)**

**MRRS DECISION DOCUMENT**

### Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) to be deemed to have ceased to be a reporting issuer in the Jurisdictions in accordance with the Legislation.
2. Under the Mutual Reliance Review System for Exemptive Relief Applications:
  - (a) the Ontario Securities Commission (**OSC**) is the principal regulator for this application; and
  - (b) this MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

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

**Representations**

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

- (a) The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario). The Filer's head office is located in Toronto, Ontario.
- (b) The authorized capital of the Filer consists of an unlimited number of common shares and an unlimited number of preference shares. As at the date hereof, all of the outstanding common shares of the Filer are owned by Cesar Correia or his holding company 1543771 Ontario Inc. (collectively, the **Principal Shareholder**). There are no preference shares of the Filer outstanding.

The Transaction

- (c) On July 4, 2007, the board of directors of the Filer (the **Board**) convened a meeting to discuss a written proposal delivered to the Board by the Principal Shareholder requesting that the Board consider, and support, his request to complete a "going-private transaction" by way of amalgamation (herein, the **Transaction**). An independent special committee of the Board was formed to consider the Transaction.
- (d) The Transaction was completed in compliance with OSC Rule 61-501 *Insider Bids, Issuer Bids, Business Combination and Related Party Transactions (Rule 61-501)* as is evidenced by the proxy materials mailed to all shareholders of the Filer and filed on SEDAR. On July 17, 2007, the Filer engaged Mintz & Partners Financial Services to prepare a formal valuation for the Transaction which formed part of the meeting materials mailed to all shareholders of the Filer and filed on SEDAR.
- (e) The Transaction involved the adoption of an amalgamation agreement between the Filer and 2153357 Ontario Inc., forming a new corporation under the name "Infolink Technologies Corp." (**Amalco**). As a result of the amalgamation, shareholders of the Filer, other than the Principal Shareholder, would receive one Amalco Series A Share for each common share of the Filer, to be promptly called for redemption for \$0.0472 cash per Amalco

Series A Share immediately upon the filing of the Articles of Amalgamation.

- (f) A special meeting (the **Special Meeting**) of the shareholders of the Filer was held on December 6, 2007 to vote on the Transaction. Equity Transfer & Trust Company (**Equity Transfer**), the Filer's transfer agent and the scrutineer of the Special Meeting, reported that:
  - (i) 1 Shareholder was present in person representing 13,209,266 shares;
  - (ii) 1 Proxy holder was present in person representing 30,000 shares;
  - (iii) 30 Management Proxies were received representing 5,259,135 shares; and
  - (iv) the total number of shares represented at the Special Meeting was 18,498,401 or 53.2% of the outstanding shares.
- (g) Two votes were conducted at the Special Meeting in respect to the special resolution (the **Special Resolution**) approving the Transaction. Specifically: (i) a vote was conducted in which all votes were allowed to be cast and (ii) a vote was conducted on a "majority of the minority" basis. In respect of the "majority of the minority" vote, 5,247,635 shares were voted in favour of the Special Resolution and 11,500 were voted against. Furthermore, on the all-encompassing vote, 18,486,901 shares were voted in favour of the Special Resolution and 11,500 were voted against. Equity Transfer also confirmed that there were no "dissenting shareholders" in respect of the Transaction.
- (h) Articles of Amalgamation were filed on December 11, 2007. Prior to filing the Articles of Amalgamation, funds were deposited with Equity Transfer, acting in its capacity as depositary, to pay out the redemption of the Amalco Series A Shares to their holders.
- (i) The common shares of the Filer were delisted from the TSX Venture Exchange at the close of business on December 14, 2007. No securities of the Filer are traded on a marketplace as defined in National

	Instrument	Decision
	21-101 <i>Marketplace Operation.</i>	
(j)	The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions and fewer than 51 securityholders in Canada. Currently, the Principal Shareholder beneficially owns all of the shares of the Filer.	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.
(k)	The Filer has no current intention to seek public financing by way of an offering of securities.	6. The decision of the Decision Makers under the Legislation is that the requested relief is granted.
(l)	The Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions of Canada in which it is currently a reporting issuer.	"Lawrence E. Ritchie" Vice-Chair Ontario Securities Commission
(m)	On December 11, 2007, the Filer couriered a notice to the British Columbia Securities Commission ( <b>BCSC</b> ) under BC Instrument 11-502 <i>Voluntary Surrender of Reporting Issuer Status</i> stating that it wished to cease to be a reporting issuer in British Columbia (the <b>BC Application</b> ). The BC Application was inadvertently lost and this fact was not discovered until early in January of 2008. On January 4, 2008, subsequent to discussing the matter directly with the BCSC, the Filer re-sent the BC Application electronically to the BCSC and was advised that the Filer would cease to be a reporting issuer in the Province of British Columbia on January 14, 2008.	"Wendell S. Wigle" Commissioner Ontario Securities Commission
(n)	On December 14, 2007, the Filer couriered an application to cease to be a reporting issuer under the securities legislation of Ontario and Alberta to the OSC and Alberta Securities Commission.	
(o)	The Filer is not in default of any of its obligations under the Legislation other than with respect to the failure to file its annual financial statements for the period ended August 31, 2007 and the Filer's Management Discussion and Analysis for such period ended under National Instrument 51-102 <i>Continuous Disclosure Obligations</i> and the related certification for such financial statements under Multilateral Instrument 52-109 <i>Certification of Disclosure in Issuers' Annual and Interim Filings</i> .	
(p)	Upon the grant of the relief requested herein, the Filer will not be a reporting issuer in any jurisdiction in Canada.	



2.1.5 6886116 Canada Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Take-over bid – Relief from the prohibition against collateral benefits – Offeror has entered into collateral agreements with shareholders of target – Offeror increasing the salaries of six management employees which had previously announced by the target – The employment agreements and retention agreement are negotiated at arm’s length and on commercially reasonable terms – The agreements are entered into for reasons other than to increase the value of the consideration paid to the selling security holder for his securities – The employment agreements and retention agreement may be entered into despite the prohibition against collateral benefits.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 97(2), 104(2)(a).

January 14, 2008

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

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR RELIEF APPLICATIONS  
(“MRRS”)

AND

IN THE MATTER OF  
6886116 CANADA LTD. (the “Filer”),  
TELUS CORPORATION (“TELUS”) AND  
EMERGIS INC. (the “Offeree”)

MRRS DOCUMENT DECISION

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 Offer Letters (as defined hereinafter) and the Retention Agreement (as defined hereinafter) may be entered into notwithstanding the requirement contained in the Legislation which prohibits, in the context of a take-over bid, the entering into of any collateral agreement, commitment or understanding with any holder of the Offeree that has the effect of providing to the holder a consideration of greater value than that offered to the other

holders of the same class of securities (the “Requested Relief”).

Under the MRRS:

- (a) l’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 representations by the Filer:

1. The Filer was incorporated under the *Canada Business Corporations Act* (the “CBCA”) on December 7, 2007 for the purpose of making the Offer (as defined hereinafter) and is an indirect wholly-owned subsidiary of TELUS. The registered office of the Filer is located at 1000 De La Gauchetière Street West, Suite 2100, Montréal, Québec, H3B 4W5.
2. TELUS is a corporation governed by the Business Corporations Act (British Columbia). TELUS maintains its registered office at Floor 21, 3777 Kingsway, Burnaby, British Columbia. TELUS’ common shares and non-voting shares are listed on the Toronto Stock Exchange (the “TSX”) under “T” and “T.A” respectively and TELUS’ non-voting shares are listed on the New York Stock Exchange under “TU”.
3. TELUS is a reporting issuer or the equivalent in all jurisdictions of Canada. The Filer is not a reporting issuer in any jurisdiction of Canada and no securities of the Filer are listed or posted for trading on any stock exchange.
4. The Offeree was incorporated under the CBCA on December 11, 1986. The Offeree’s articles have since been amended several times to effect changes to its capital and corporate name and other provisions. The Offeree’s head office and registered office are located at 1000 de Sevigny, Longueuil, Québec.
5. The Offeree is a reporting issuer or the equivalent in all jurisdictions of Canada.
6. The authorized share capital of the Offeree consists of an unlimited number of common share (the “Share”) and an unlimited number of preferred shares.

7. As at December 5, 2007, 90,102,601 Shares and no preferred shares were issued and outstanding and, on that same date, the Offeree had granted options providing for the issuance of an aggregate of 2,365,487 Shares upon the exercise thereof (the "Options") and had granted share rights providing for the issuance of an aggregate of 521,671 Shares (the "SRs"). The Shares are listed and posted for trading on the TSX under the symbol "EME".
8. On November 28, 2007, the Offeree entered into a support agreement (the "**Support Agreement**") with TELUS. The Support Agreement sets forth the terms and conditions upon which the Offer (as defined hereinafter) is to be made by TELUS, either directly or through a wholly-owned subsidiary. TELUS has assigned all of its rights under the Support Agreement to the Filer, but remains jointly and severally liable with the Filer for its obligations thereunder.
9. On November 28, 2007, TELUS entered into lock-up agreements (the "**Lock-Up Agreements**") with each of Crescendo Partners II L.P. Series M and Eric Rosenfeld, Libermont Inc. (a corporation controlled by Jean C. Monty), Pierre Ducros, François Côté, J. Spencer Lanthier, Peter C. Maurice, Carlos Carreiro, Robert Comeau, Marc Fillion, François Gratton, Mark Groper, Monique Mercier, Keith Nugara and Yogendra Appalraju (collectively, the "**Supporting Shareholders**"). Pursuant to the Lock-Up Agreements, the Supporting Shareholders have agreed to accept the Offer and validly tender, or cause to be validly tendered to the Offer, and not withdraw, except in certain circumstances, all of the Shares owned by them, directly or beneficially, or over which they exercise direction or control, and all Shares which may be issuable to them on the exercise of any Options, namely, in the aggregate, 20,427,674 Shares representing approximately 22% of the currently issued and outstanding Shares (calculated on a fully-diluted basis).
10. On November 28, 2007, the board of directors of TELUS approved the Support Agreement and the Lock-Up Agreements. On November 28, 2007, the board of directors of the Offeree having received from Desjardins Securities Inc. and Genuity Capital Markets Inc. the fairness opinions regarding the consideration payable under the Offer, approved the Support Agreement and the making of a recommendation that Shareholders accept and deposit their Shares to the Offer (as defined hereinafter).
11. On November 29, 2007, TELUS announced that the Filer has offered to purchase for cash (the "Offer") all of the issued and outstanding Shares in the capital of the Offeree, including Shares issuable upon the exercise or surrender of outstanding Options.
12. The Offer documents, including the take-over bid circular (the "Circular"), were mailed to the shareholders of the Offeree (the "Shareholders") on December 11, 2007. The Offer is open for acceptance until 5:00 p.m. (Eastern Standard Time) on January 16 2008, unless extended or withdrawn by the Filer.
13. It is Filer's current intention that if it takes up and pays for Shares deposited pursuant to the Offer, it will enter into one or more transactions to enable the Filer to acquire all Shares not acquired pursuant to the Offer.
14. The Filer has entered into employment agreements by way of offer letters (the "**Offer Letters**") with eight management employees (the "**Management Employees**") of the Offeree, being François Côté, Carlos Carreiro, Marc Fillion, François Gratton, Mark Groper, Monique Mercier, Keith Nugara and Yogendra Appalraju, all of whom are Supporting Shareholders. The Offer Letters, which are conditional on the completion of the Offer, set out the terms and conditions of the Management Employees' continued employment with TELUS (or one of its subsidiaries, affiliates or related companies) for an indefinite term and will replace the Management Employees' entitlements under their existing contracts of employment and severance agreements with the Offeree.
15. Pursuant to the Offer Letters, the Management Employees will have senior management responsibilities substantially similar within the business to those presently carried on at the Offeree. The reason for making such an offer of employment was that each of the Management Employees' particular skill set is needed by the Filer to continue the business of the Offeree as a going concern within the Filer's business. TELUS views the continued participation of the Management Employees as very important to the business of the Offeree given that each of the Management Employees has made a significant contribution to the Offeree's current business products and services. The Management Employees' contributions to the Offeree were a material factor in TELUS' decision to make the Offer.
16. Under the terms of the Offer Letters, one Management Employee's salary will remain unchanged from that under his existing employment contract with the Offeree, six of the Management Employees' salaries will increase modestly to reflect increases that the Offeree had previously announced to the six Management Employees and one Management Employee's salary will have an increased bonus target. Under the terms of the Offer Letters, the Management Employees will receive cash payments for the value of their SRs and their vested and unvested Options.

17. The Management Employees will be entitled to participate in TELUS' employee stock purchase plan and to receive long-term incentive and annual bonus payments in accordance with TELUS' applicable plans. To ensure that the Management Employees would remain with the Filer, it was agreed that the Management Employees would receive a one-time incentive grant of restricted share units and options which cliff vest in approximately three years in accordance with the terms of the relevant plans. The Management Employees' entitlement to benefits and perquisites will remain largely unchanged from their existing employment contracts with the Offeree, however, as of January 1, 2009, these entitlements may be replaced, at TELUS' option, with entitlements under TELUS' benefit and perquisite plans.
18. Under the terms of the Offer Letters, in the event of termination without cause, five Management Employees will receive a severance payment equal to twelve months of total compensation (i.e. base salary and bonus, and continuation or payment in lieu of certain benefits and perquisites). In addition, in recognition of their continued employment, these five Management Employees will also receive one-time grants principally in the form of restricted share units which, in the case of four Management Employees, cliff vest in approximately three years and in the case of one Management Employee will vest over a three-year period. Vesting accelerates in the event a Management Employee is terminated without cause. These grants were agreed to in recognition of the fact that the five Management Employees will lose the benefit of the severance provisions under their existing contracts of employment and severance arrangements. Accordingly, in exchange for foregoing their severance entitlements under their current arrangements, the five Management Employees are to receive the aforementioned one-time severance grant to provide an incentive to the five Management Employees to contribute to the long-term success of TELUS. For the remaining three Management Employees, in the event of termination without cause, each will be entitled to twelve months of base salary and bonus, plus one additional month for every year of service, to a maximum of eighteen months. The Filer has represented that the terms described above are commercially reasonable.
19. In consideration for the various entitlements provided for in the Offer Letters and subject to the completion of the Offer, the Management Employees have agreed to be bound by restrictive covenant agreements which impose confidentiality and intellectual property requirements on the Management Employees, as well as post-employment non-competition and non-solicitation restrictions. These non-competition and non-solicitation restrictions apply across Canada and extend for one year after the termination of the executive's employment.
20. TELUS has also entered into a retention agreement (the "**Retention Agreement**") with Robert Comeau, the Offeree's chief financial officer (the "**CFO**"), which is conditional on the completion of the Offer. The Retention Agreement imposes confidentiality requirements on the CFO and provides for the continuation of the CFO's existing employment arrangements under his current employment contract with the Offeree until the earlier of the date on which the Offeree ceases to become a reporting issuer and April 30, 2008 (the "**Termination Date**"). On the Termination Date, the CFO will resign from his employment, receive a severance payment equal to the amount which he would have received under his current arrangements with the Offeree, and begin work for TELUS as an independent contractor for a term of three months, which is extendable on a month-to-month basis by mutual consent of the CFO and TELUS. Under the terms of the Retention Agreement, the CFO will receive a cash payment for the value of his SRs and his vested and unvested Options.
21. TELUS entered into the Retention Agreement in order to ensure an orderly transition of financial management and reporting and maintain the continuity of senior management during the initial integration following completion of the Offer. It is important to TELUS that the CFO be motivated to stay on following the successful completion of the Offer in order to facilitate the integration of the Offeree with the Filer's operations. TELUS believes that it is a prudent and commercially reasonable business decision to enter into the Retention Agreement.
22. The Offer Letters and Retention Agreement were negotiated at arm's length and are on terms and conditions that are commercially reasonable.
23. The conferring of the benefits under each of the Offer Letters and the Retention Agreement are not conditional on the Management Employees or the CFO supporting the Offer in any manner. Notwithstanding the execution of the Lock-Up Agreements by each of the Supporting Shareholders, such agreements confer no benefits on any party thereto other than the Filer.
24. Full particulars of each benefit are disclosed in the Circular and the Offeree director's circular.
25. The Offer Letters and Retention Agreement were entered into for valid business reasons unrelated to the Management Employee and CFO's holdings of Shares, and were not entered into for the purpose of conferring an economic or collateral benefit that the other Shareholders do

not enjoy or to increase the value of the consideration paid to the Management Employees or the CFO for their Shares tendered under the Offer.

26. Each of the Management Employees and the CFO together with their associated entities, beneficially own or exercise control or direction over, less than 1% of the Shares as the case may be on a fully-diluted basis.

#### 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.

“Louis Morisset”  
Surintendant Aux Marchés Des valeurs  
Autorité des marchés financiers

#### 2.1.6 Ivory Energy Inc. - MRRS Decision

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - variation of previous decision for relief granted from the requirement to provide audited financial statements in a business acquisition report on the condition that acceptable alternative disclosure is provided.

##### Applicable Legislative Provisions

National Instrument 51-102, Part 8, s. 13.1.

**Citation:** Ivory Energy Inc., 2008 ABASC 28

January 17, 2008

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA AND ONTARIO  
(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
IVORY ENERGY INC.  
(THE FILER)**

**MRRS DECISION DOCUMENT**

#### Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) varying a previously-issued MRRS decision document dated November 14, 2007 (a copy of which is attached as Schedule A hereto) (the **Prior Decision**) so as to remove as a condition to the relief provided therein the requirement that certain of the financial information to be included in a business acquisition report (**BAR**) be audited, such that pursuant to that prior decision, as varied by this decision, the Filer is exempted from the requirement to include in the BAR certain financial information in respect of a significant acquisition made by the Filer, on the condition that the Filer include in the BAR certain alternative financial information, all as more particularly described below (the **Requested Relief**).

**Principal Regulator System**

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

- (a) the Alberta Securities Commission is the principal regulator for the Filer;
- (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, Saskatchewan and Manitoba; and
- (c) 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 the Filer:

- (a) The Filer is a corporation amalgamated under the *Business Corporations Act* (Alberta). Its head office is located in Calgary, Alberta.
- (b) The Filer is an independent oil and gas company engaged in the business of exploring for, developing, and producing petroleum and natural gas reserves in Alberta and Saskatchewan.
- (c) The Filer is a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario and is not, to its knowledge, in default of its obligations as a reporting issuer under the securities legislation of such provinces other than the requirement to have filed a BAR in respect of the Acquisition (as defined below) on or before November 16, 2007.
- (d) On July 19, 2007, the Filer indirectly acquired certain oil and gas properties and related assets (the **Assets**) from Empire Resources Inc. (the **Vendor**) by purchasing all of the issued and outstanding shares of a corporation organized to facilitate the acquisition in a manner that achieved certain tax and commercial efficiencies for the Vendor (the **Acquisition**).

(e) The Acquisition constitutes a "significant acquisition" for the Filer within the meaning of Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102). Accordingly, the Filer is required under section 8.2 of NI 51-102 to file a BAR in respect of the Acquisition containing the information prescribed in Form 51-102F4.

(f) The Vendor is a private company and is not, to the Filer's knowledge after due inquiry, a reporting issuer (or the equivalent) in any jurisdiction.

(g) On November 14, 2007, the Filer obtained exemptive relief from the Decision Makers with respect to the financial information to be included in the BAR that the Filer is required to file in respect of the Acquisition.

(h) The particulars of the relief previously granted are set forth in the Prior Decision, which requires as a condition thereto that the BAR include the following information in lieu of the financial statements and other information required pursuant to Item 3 of Form 51-102F4:

- (i) an audited schedule of revenues, royalties and operating expenses in respect of the Assets for the years ended June 30, 2006 and 2005;
- (ii) an audited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2006 and an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2005;
- (iii) an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended June 30, 2007;
- (iv) an unaudited pro forma consolidated schedule of revenues, royalties and operating expenses of the Filer for the year ended December 31, 2006 giving effect to the Acquisition as if it had taken place at January 1, 2006;
- (v) an unaudited pro forma consolidated schedule of revenues,

- royalties and operating expenses of the Filer for the six months ended June 30, 2007 giving effect to the Acquisition as if it had taken place at January 1, 2006;
- (vi) a description of the Assets and disclosure regarding the annual oil and gas production volumes from the Assets, as contemplated in clauses 8.10(3)(e)(iii) and (iv) of NI 51-102; and
  - (vii) information regarding estimated reserves and related future net revenue attributable to the Assets and estimated oil and gas production volumes therefrom, as contemplated in paragraph 8.10(3)(g) of NI 51-102
- (collectively, the **Alternative Financial Disclosure**).
- (i) In order to obtain an auditor's report on the schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2006 (the **December 2006 Information**) as contemplated in clause 4(h)(ii) above, the Filer requires access to the records and personnel of the Vendor.
  - (j) Subsequent to the form of the Prior Decision having been determined, the Vendor advised the Filer that it cannot assemble the historical accounting records and other information necessary to complete an audit of the December 2006 Information. More particularly, the Filer has been advised that after closing of the Acquisition the Vendor ceased operations and dismantled its administrative infrastructure, which included terminating all accounting and other administrative staff arrangements, giving up its office premises, and transferring all historical financial records to an offsite, out-of-town storage facility.
  - (k) The Filer has made every reasonable effort to obtain access to, or copies of, the historical accounting records and other information necessary to audit the December 2006 Information.
  - (l) Accordingly, the Filer is unable to satisfy the condition set forth in the Prior Decision regarding the inclusion of audited (versus unaudited) December 2006 Information in the Alternative Financial Disclosure.
  - (m) Although the Filer does not have access to the justificatory material needed to complete an audit of the December 2006 Information, the information itself is available to the Filer in reviewed form. A reviewed schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2006 was prepared in connection with the financing and completion of the Acquisition, was included in the short form prospectus of the Filer dated July 11, 2007, and will be included in the BAR that the Filer files in respect of the Acquisition.
  - (n) In light of the above circumstances, the Filer proposes to include in the BAR to be filed in respect of the Acquisition:
    - (i) an audited schedule of revenues, royalties and operating expenses in respect of the Assets for the years ended June 30, 2006 and 2005;
    - (ii) an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2006 and 2005;
    - (iii) an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended June 30, 2007;
    - (iv) an unaudited pro forma consolidated schedule of revenues, royalties and operating expenses of the Filer for the year ended December 31, 2006 giving effect to the Acquisition as if it had taken place at January 1, 2006;
    - (v) an unaudited pro forma consolidated schedule of revenues, royalties and operating expenses of the Filer for the six months ended June 30, 2007 giving effect to the Acquisition as if it had taken place at January 1, 2006;
    - (vi) a description of the Assets and disclosure regarding the annual oil and gas production volumes from the Assets, as contemplated in clauses 8.10(3)(e)(iii) and (iv) of NI 51-102; and
    - (vii) information regarding estimated reserves and related future net

revenue attributable to the Assets and estimated oil and gas production volumes therefrom, as contemplated in paragraph 8.10(3)(g) of NI 51-102

(collectively, the **Revised Financial Disclosure**).

- (o) The only difference between the Alternative Financial Disclosure contemplated by the Prior Decision and the Revised Financial Disclosure contemplated herein is that the December 2006 Information will not be audited.
- (p) The Filer has confirmed, after having made due inquiries of the Vendor and the Filer's chief financial officer, that it will be able to provide the Revised Financial Disclosure.
- (q) Except as modified by the information set forth in paragraph 4(c) and by the fact that the Filer proposes to include in the BAR the Revised Financial Disclosure as set forth in paragraph 4(n) above instead of the Alternative Financial Disclosure contemplated by the Prior Decision, all of the facts represented by the Filer in the Prior Decision remain true.
- (r) The Filer seeks a decision of the Decision Makers under the Legislation varying the Prior Decision so as to remove as a condition to the relief provided therein the requirement that the December 2006 Information be audited, such that pursuant to the Prior Decision, as varied by this decision, Ivory is exempted from the requirement to include in the BAR to be filed in respect of the Acquisition the financial statements and other information required pursuant to Item 3 of Form 51-102F4, provided that the BAR includes the Revised Financial Disclosure.
- (s) The Filer acknowledges that any rights of action available to any person or company or securities regulatory authority against the Filer from the date on which the default occurred until the date of the filing of the BAR in accordance with this decision document are not terminated or altered as a result of this decision.

**Decision**

- 5. The Decision Makers being satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Filer includes the Revised Financial Disclosure in the BAR to be filed in respect of the Acquisition.

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

**SCHEDULE A**

Citation: Ivory Energy Inc., 2007 ABASC 838

November 14, 2007

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA AND ONTARIO  
(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
IVORY ENERGY INC.  
(THE FILER)**

**MRRS DECISION DOCUMENT**

**Background**

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to include in a business acquisition report (**BAR**) certain financial information in respect of a significant acquisition made by the Filer, on the condition that the Filer include in the BAR certain alternative financial information as more particularly described below (the **Requested Relief**).

**Principal Regulator System**

2. Under Multilateral Instrument 11-101 *Principal Regulator System* (**MI 11-101**) and the Mutual Reliance Review System for Exemptive Relief Applications:
  - (a) the Alberta Securities Commission is the principal regulator for the Filer;
  - (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, Saskatchewan and Manitoba; and
  - (c) 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 the Filer:
  - (a) The Filer is a corporation amalgamated under the Business Corporations Act (Alberta). Its head office is located in Calgary, Alberta.
  - (b) The Filer is an independent oil and gas company engaged in the business of exploring for, developing, and producing petroleum and natural gas reserves in Alberta and Saskatchewan.
  - (c) The Filer is a reporting issuer in the provinces of Alberta, British Columbia, Saskatchewan, Manitoba and Ontario and is not, to its knowledge, in default of its obligations as a reporting issuer under the securities legislation of such provinces.
  - (d) The Filer is a "venture issuer" within the meaning of National Instrument 51-102 Continuous Disclosure Obligations (**NI 51-102**).
  - (e) On March 15, 2007, a wholly-owned subsidiary of the Filer entered into a share purchase and sale agreement (as amended on May 23, 2007, the **Acquisition Agreement**) with Empire Resources Inc. (the **Vendor**) providing for the indirect acquisition (the **Acquisition**) by the Filer of certain oil and gas properties and related assets (the **Assets**). The Acquisition closed on July 19, 2007 with an effective date of March 1, 2007 for purchase price or working capital adjustment purposes.
  - (f) Pursuant to the Acquisition Agreement, the Filer acquired 100% of the issued and outstanding shares (the **AcquisitionCo Shares**) of 101091129 Saskatchewan Ltd. (**AcquisitionCo**), a corporation incorporated for the purpose of facilitating the Acquisition.
  - (g) Subsequent to the entering into of the Acquisition Agreement and prior to the closing of the Acquisition, the Vendor transferred the Assets to AcquisitionCo. Accordingly, at the time of closing the Assets were held by AcquisitionCo.
  - (h) The transfer of the Assets from the Vendor to AcquisitionCo was made for the purpose of facilitating the Acquisition in a manner that achieved certain tax and commercial efficiencies for the Vendor.



- (i) The Acquisition constitutes a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102. Accordingly, the Filer is required under section 8.2 of NI 51-102 to file a BAR in respect of the Acquisition.
  - (j) Substantially concurrently with the closing of the Acquisition, the Filer completed the purchase of all of the issued and outstanding shares of Zenith Petroleum Corp.
  - (k) The Filer's acquisition of Zenith Petroleum Corp. did not constitute a "significant acquisition" for the Filer within the meaning of Part 8 of NI 51-102, and together with the Acquisition did not constitute an "acquisition of related businesses" as defined therein.
  - (l) The financial year end of the Filer is December 31 and the financial year end of the Vendor was June 30.
  - (m) The required content of the BAR is prescribed in Form 51-102F4.
  - (n) Pursuant to Item 3 of Form 51-102F4 and Part 8 of NI 51-102, the Filer would, absent the Requested Relief, be required to include in its BAR for the Acquisition, subject to the exemptions provided therein:
    - (i) an income statement, a statement of retained earnings and a cash flow statement for each of the two most recently completed financial years in respect of the Assets, a balance sheet as at the end of each such financial year, and notes to the financial statements;
    - (ii) an auditor's report on the income statement, statement of retained earnings and cash flow statement for the most recently completed financial year in respect of the Assets and the balance sheet as at the end of such financial year;
    - (iii) a pro forma balance sheet of the Filer as at June 30, 2007 that gives effect to the Acquisition as if it had taken place as at such date;
    - (iv) a pro forma income statement of the Filer for the financial year ended December 31, 2006 and
- for the six month interim period ended June 30, 2007, in each case that gives effect to the Acquisition as if it had taken place at January 1, 2006, together with pro forma earnings per share.
  - (o) Subsection 8.10(3) of NI 51-102 provides an exemption from the financial statement disclosure requirements that would otherwise apply under Part 8 of 51-102 if the significant acquisition is of a business that is an interest in an oil and gas property, provided that, among other things, the acquisition is not an acquisition of securities of another issuer and the issuer includes in the BAR certain alternative financial disclosure in respect of the interests acquired.
  - (p) All of the conditions set forth in subsection 8.10(3) of NI 51-102 are satisfied in the circumstances of the Acquisition except that: (i) the Acquisition is an acquisition of securities of another issuer; and (ii) with respect to financial periods and audit requirements the Filer proposes to include in the BAR for the Acquisition historical operating statements in respect of the Assets and pro forma operating statements of the Filer as set forth in paragraph 40 below instead of what would otherwise be required under NI 51-102.
  - (q) The Acquisition was, in substance, an acquisition by the Filer of an interest in oil and gas properties constituting a business. But for certain tax and commercial efficiencies achieved by structuring the Acquisition as a purchase by the Filer of the AcquisitionCo Shares with the Vendor transferring the Assets to AcquisitionCo prior to closing, the Filer would have acquired the Assets directly from the Vendor and availed itself of the exemption provided in subsection 8.10(3) of NI 51-102 with respect to the kind of financial disclosure to be included in the BAR.
  - (r) The Filer proposes to include in the BAR to be filed in respect of the Acquisition:
    - (i) an audited schedule of revenues, royalties and operating expenses in respect of the Assets for the years ended June 30, 2006 and 2005;
    - (ii) an audited schedule of revenues, royalties and operating expenses

in respect of the Assets for the six months ended December 31, 2006 and an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended December 31, 2005;

- (iii) an unaudited schedule of revenues, royalties and operating expenses in respect of the Assets for the six months ended June 30, 2007;
- (iv) an unaudited pro forma consolidated schedule of revenues, royalties and operating expenses of the Filer for the year ended December 31, 2006 giving effect to the Acquisition as if it had taken place at January 1, 2006;
- (v) an unaudited pro forma consolidated schedule of revenues, royalties and operating expenses of the Filer for the six months ended June 30, 2007 giving effect to the Acquisition as if it had taken place at January 1, 2006;
- (vi) a description of the Assets and disclosure regarding the annual oil and gas production volumes from the Assets, as contemplated in clauses 8.10(3)(e)(iii) and (iv) of NI 51-102; and
- (vii) information regarding estimated reserves and related future net revenue attributable to the Assets and estimated oil and gas production volumes therefrom, as contemplated in paragraph 8.10(3)(g) of NI 51-102

(collectively, the **Alternative Financial Disclosure**).

- (s) The Filer seeks a decision of the Decision Makers under section 13.1 of NI 51-102 exempting the Filer from the requirement to include in the BAR to be filed in respect of the Acquisition the financial statements and other information required pursuant to Item 3 of Form 51-102F4, provided that the BAR includes the Alternative Financial Disclosure.

relevant test under the Legislation has been met, the decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Filer includes the Alternative Financial Disclosure in the BAR to be filed in respect of the Acquisition.

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

## Decision

5. The Decision Makers being satisfied that they have jurisdiction to make this decision and that the

**2.2 Orders**

**2.2.1 Jose L. Castaneda - s. 127**

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

**AND**

**IN THE MATTER OF  
JOSE L. CASTANEDA**

**ORDER  
(Section 127)**

**WHEREAS** a temporary cease trade order was issued against the Respondent on June 7, 2005 and extended on June 20, 2005 until the hearing is concluded and a decision of the Commission is rendered or until the Commission considers appropriate;

**AND WHEREAS** on June 20, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") accompanied by a Statement of Allegations issued by Staff of the Commission pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990 c. S.5, as amended (the "Act") in respect of Jose L. Castaneda (the "Respondent") with the next appearance on this matter in front of the Commission scheduled for July 22, 2005;

**AND WHEREAS** on July 22, 2005, the matter was adjourned to October 19, 2005 but subsequently rescheduled to October 7, 2005;

**AND WHEREAS** on October 7, 2005, the matter was adjourned to January 11, 2006;

**AND WHEREAS** on December 19, 2005, Staff of the Commission issued an Amended Statement of Allegations pursuant to sections 127 and 127.1 of the Act;

**AND WHEREAS** the pre-hearing conference for this matter scheduled for January 11, 2006, was adjourned with the consent of both parties to February 27, 2006, at 10:00 a.m.;

**AND WHEREAS** the matter was spoken to on February 27, 2006, at 10:00 a.m., at which time the Respondent requested and Staff consented to the adjournment of this matter until April 13, 2006 at 10:00 a.m., to allow counsel for the Respondent an opportunity to review the disclosure previously provided by Staff;

**AND WHEREAS** the matter was spoken to on April 13, 2006, at which time a hearing was scheduled for May 30, 2006, in order for the Respondent to bring an application to adjourn the section 127 and 127.1 hearing until the conclusion of the proceedings brought by the Commission against the Respondent pursuant to sections 122 of the Act;

**AND WHEREAS** the matter was spoken to on May 30, 2006, at which time the matter was adjourned to July 25, 2006 in order for the Respondent to bring an application to adjourn the section 127 and 127.1 hearing until the conclusion of the section 122 proceedings;

**AND WHEREAS** on July 25, 2006 the matter was rescheduled to July 26, 2006;

**AND WHEREAS** on July 26, 2006, the matter was adjourned to December 5-7, 2006 at 10 a.m. to proceed with the section 127 and 127.1 hearing;

**AND WHEREAS** the Respondent was charged with two counts of fraud over \$5,000 and two counts of theft over \$5,000 under the Criminal Code of Canada that involve some of the same complainants as the sections 122, 127 and 127.1 proceedings under the Act;

**AND WHEREAS** on October 30, 2006, the Ontario Court of Justice set a trial date of May 22-24, 2007 for the Respondent in relation to the section 122 proceedings;

**AND WHEREAS** on November 30, 2006, the Respondent requested that the section 127 and 127.1 hearings scheduled for December 5-7, 2006 be vacated and the matter adjourned until May 28, 2007 by which time the section 122 proceedings in the Ontario Court of Justice would be complete;

**AND WHEREAS** on May 10, 2007, the Respondent pled guilty in the Ontario Court of Justice in relation to the section 122 proceedings;

**AND WHEREAS** on May 28, 2007, the matter was adjourned to September 6, 2007 to await completion of the section 122 proceedings;

**AND WHEREAS** on September 6, 2007, the matter was adjourned to October 26, 2007 to await completion of the section 122 proceedings and the Criminal Code proceedings;

**AND WHEREAS** on October 24, 2007 the Respondent was found guilty to both charges in the section 122 proceedings and a single charge of fraud over \$5,000 under the Criminal Code of Canada by a judge of the Ontario Court of Justice;

**AND WHEREAS** on October 24, 2007 the sentencing hearing of the Respondent in the Ontario Court of Justice was adjourned until January 14, 2008;

**AND WHEREAS** on October 26, 2007, the matter was adjourned to January 16, 2008 to await completion of the section 122 proceedings and the Criminal Code proceedings;

**AND WHEREAS** on January 14, 2008 the sentencing hearing of the Respondent in the Ontario Court of Justice was adjourned until January 18, 2008;

**AND WHEREAS** the Respondent wishes to adjourn the section 127 and 127.1 hearing until the conclusion of the section 122 proceedings and the Criminal Code proceedings;

**AND WHEREAS** Staff consent to the adjournment request;

**IT IS HEREBY ORDERED** that this matter is adjourned to be spoken to on February 19, 2008 at 2:30 p.m. or on such date as directed by the Commission;

**DATED** at Toronto this 16th day of January, 2008.

“Wendell S. Wigle”

“Suresh Thakrar”

## 2.2.2 Marsulex Inc.

### Headnote

Clause 104(2)(c) - indirect issuer bids resulting from a reorganization involving issuer and a significant shareholder - purpose of reorganization is to provide the issuer with various tax losses accumulated by the shareholder that the shareholder is unlikely to be able to use in full, and to enable the shareholders of the significant shareholder to achieve certain tax planning objectives relating to the ownership of the issuer's shares – after reorganization, the issuer will have the same number of shares issued and outstanding, and each shareholder will have the same number of shares and same relative ownership that they owned prior to the reorganization - shareholder to indemnify and reimburse issuer for costs and liabilities associated with reorganization - no adverse economic impact on or prejudice to issuer or public shareholders - issuer exempt from requirements of sections 95, 96, 97, 98 and 100 of the Act.

### Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95, 96, 97, 98, 100, 102(4)(c).

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

**AND**

**IN THE MATTER OF  
MARSULEX INC.  
("Marsulex")**

**ORDER**

**UPON** the application (the “**Application**”) of Marsulex to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to clause 104(2)(c) of the *Securities Act* (Ontario) (the “**Act**”) that certain acquisitions by Marsulex of its common shares (“**Common Shares**”) pursuant to a proposed reorganization (the “**Reorganization**”), described below, are exempt from the requirements of sections 95, 96, 97, 98 and 100 of the Act.

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

**AND UPON** Marsulex having represented to the Commission as follows:

1. Marsulex was formed pursuant to articles of amalgamation filed under the laws of Canada on June 16, 1989 and is a reporting issuer under the Act. Marsulex is not in default of any requirements of the Act or the regulations thereunder.

2. The authorized capital of Marsulex consists of an unlimited number of common shares without par value, an unlimited number of senior preference shares without par value, an unlimited number of junior preference shares without par value, and an unlimited number of non-voting convertible shares without par value. As of December 20, 2007, 33,097,498 Common Shares were issued and outstanding.
3. The Common Shares are listed on the Toronto Stock Exchange (the "TSX").
4. Harrowston Holdings Limited ("HHL") is a corporation continued under the laws of Canada and is not a reporting issuer under the Act. HHL is an investment holding company and does not carry on any active business.
5. As of December 20, 2007, HHL directly owned 18,364,279 Common Shares, representing approximately 55% of Marsulex's issued and outstanding Common Shares (the "HHL Marsulex Shares").
6. The authorized share capital of HHL consists of an unlimited number of common shares, an unlimited number of Class 2 common shares and one special voting share. TD Capital Group Limited and Birch Hill Equity Partners II (QLP) L.P., Birch Hill Equity Partners II (Barbados) L.P. and Birch Hill Equity Partners II (Entrepreneurs) L.P. (collectively, the "Current HHL Shareholders") hold all of the issued and outstanding shares of HHL. A corporation ("TD Newco") to be formed by The Toronto-Dominion Bank and Birch Hill Equity Partners II Ltd. will become a shareholder of HHL pursuant to an internal reorganization that HHL will be completed prior to the Reorganization. The Current HHL Shareholders and TD Newco are collectively referred to herein as the "HHL Shareholders".
7. The purpose of the Reorganization is to provide Marsulex with various tax losses accumulated by HHL that HHL is unlikely to be able to use in full, and to enable the HHL Shareholders to achieve certain tax planning objectives relating to the ownership of the HHL Marsulex Shares. The effect of the Reorganization will be that upon completion, the HHL Shareholders will hold 18,364,279 Common Shares directly, rather than indirectly through HHL.
8. The Reorganization entails a series of consecutive transactions which, for the purposes of this Application, may be summarized as follows:
  - (a) prior to the Reorganization, HHL will complete an internal reorganization whereby:
    - (i) HHL will transfer all of its assets (other than the HHL Marsulex Shares) to its shareholders; and
    - (ii) the HHL Shareholders or an affiliate thereof will assume all of HHL's liabilities including the liability for any taxes resulting from the transfer of its assets to them;
9. The Reorganization is subject to:
  - (b) following the completion of the internal reorganization of HHL referred to in paragraph (a) above, Marsulex will incorporate a wholly-owned subsidiary ("Subco"). Subco will have no material assets and no liabilities. The authorized capital of Subco will consist of an unlimited number of common shares;
  - (c) HHL and Subco will then amalgamate to form Amalco by way of an amalgamation (the "Amalgamation") under the *Canada Business Corporations Act* (the "CBCA");
  - (d) on the Amalgamation:
    - (i) Marsulex will issue that number of Common Shares to the HHL Shareholders which will equal, in the aggregate, the number of Common Shares owned by HHL immediately prior to the Amalgamation; and
    - (ii) Amalco will remain wholly-owned by Marsulex and will acquire the HHL Marsulex Shares; and
  - (e) immediately following the Amalgamation, Amalco will distribute the HHL Marsulex Shares, its only remaining assets, to Marsulex in connection with a voluntary winding up of Amalco pursuant to the provisions of Part XVIII of the CBCA (the "Voluntary Winding Up") and immediately thereafter, Marsulex will cancel the HHL Marsulex Shares.

10. The Reorganization, after taking into account the Indemnity (defined below), does not and will not have any adverse economic effect on or adverse tax consequences to, and will not in any way prejudice, Marsulex, Subco, Amalco, or the public shareholders of Marsulex (the "**Public Shareholders**").
11. No material actual or contingent liability of HHL will be assumed by Marsulex, Subco or Amalco in connection with the Reorganization.
12. Pursuant to an indemnity agreement (the "**Indemnity**") to be entered into between the HHL Shareholders and Marsulex, the HHL Shareholders will agree to indemnify Marsulex, its subsidiaries, including Subco and Amalco, against any liabilities, which may be incurred by any of them as a result of the Reorganization, beyond the amount of the benefit Marsulex realizes from the Reorganization. The terms of the Indemnity, which will be consistent with terms of indemnities for arm's length third party transactions, will be approved by the independent directors of Marsulex.
13. The Reorganization will not change the number of Common Shares issued and outstanding, as Marsulex will have the same aggregate number of Common Shares outstanding following the Reorganization as it did immediately prior to the Reorganization.
14. Following the Reorganization, each of the HHL Shareholders and the Public Shareholders will beneficially own the same aggregate number and same relative percentages of Common Shares that they owned immediately prior to the Reorganization and will have the same rights and benefits in respect of such shares that they currently have.
15. All costs and expenses incurred by Marsulex and its subsidiaries in connection with the Reorganization will be paid for by the HHL Shareholders.
16. The Reorganization constitutes a related party transaction under Commission Rule 61-501 *Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions* ("**Rule 61-501**"). However, Marsulex will be exempt from the independent valuation and shareholder approval requirements of Rule 61-501 by virtue of the Reorganization satisfying all the conditions set out in paragraph 9 of section 5.5 and paragraph 4 of subsection 5.7(1) of Rule 61-501, respectively.
17. The issuance of Common Shares to the HHL Shareholders by Marsulex in connection with the Amalgamation and Voluntary Winding Up will be exempt from the registration and prospectus requirements of sections 25 and 53 of the Act by

virtue of section 2.11 of National Instrument 45-106 *Prospectus and Registration Exemptions*.

18. The acquisition of HHL Marsulex Shares by Amalco in connection with the Amalgamation will constitute an indirect issuer bid under subsection 89(1) and section 92 of the Act. Further, the subsequent acquisition of HHL Marsulex Shares by Marsulex in connection with the Voluntary Winding Up will constitute an issuer bid under subsection 89(1) of the Act. Both such issuer bids will not be exempt issuer bids under the Act.

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

**IT IS ORDERED** pursuant to subsection 104(2)(c) of the Act that acquisitions by Marsulex of its Common Shares pursuant to the Reorganization be exempt from the requirements of sections 95, 96, 97, 98 and 100 of the Act.

**DATED** December 28th, 2007.

"Harold P. Hands"  
Commissioner  
Ontario Securities Commission

"Wendell S. Wigle"  
Commissioner  
Ontario Securities Commission

2.2.3 Swift Trade Inc. and Peter Beck - s. 127

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

AND

IN THE MATTER OF  
SWIFT TRADE INC. AND PETER BECK,

ORDER  
(Section 127)

**WHEREAS** on December 7, 2007, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and a Statement of Allegations pursuant to Section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in respect of the Respondents, Swift Trade Inc. and Peter Beck;

**AND WHEREAS** on January 18, 2008, Staff and counsel for Swift Trade Inc. and Peter Beck attended before the Commission for a first appearance on this matter;

**IT IS ORDERED** that the hearing is adjourned to Wednesday, March 5, 2008 at 10 a.m. to be spoken to, or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission.

**DATED** at Toronto this 18th day of January, 2008.

"James E.A. Turner"

2.2.4 Shallow Oil & Gas Inc. et al. - ss. 127(1), 127(5)

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

AND

IN THE MATTER OF  
SHALLOW OIL & GAS INC., ERIC O'BRIEN,  
ABEL DA SILVA, GURDIP SINGH GAHUNIA  
also known as MICHAEL GAHUNIA, and  
ABRAHAM HERBERT GROSSMAN  
aka ALLEN GROSSMAN

TEMPORARY ORDER  
Section 127(1) & 127(5)

**WHEREAS** it appears to the Ontario Securities Commission that:

1. Shallow Oil & Gas Inc. ("Shallow Oil") is an Ontario corporation with a registered office in Toronto;
2. Eric O'Brien ("O'Brien") is the sole director of Shallow Oil;
3. Shallow Oil, O'Brien, Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia, ("Gahunia"), and Abraham Herbert Grossman, also known as Allen Grossman, ("Grossman") are not registered with the Commission in any capacity;
4. Shares of Shallow Oil have been offered for sale and sold to members of the public, in Ontario and elsewhere in Canada, by representatives of Shallow Oil;
5. Shallow Oil appears to be merely a shell company with no assets;
6. Staff of the Commission ("Staff") are conducting an investigation into the trading of Shallow Oil shares, and based on the information collected by Staff to date, it appears that O'Brien, Da Silva, Gahunia, and Grossman have traded in shares of Shallow Oil or have acted in furtherance of trades in shares of Shallow Oil;
7. Representatives of Shallow Oil have made representations about the future listing of the shares of Shallow Oil in order to effect sales in those shares contrary to s. 38 of the *Act*;
8. No prospectus receipt has been issued for the Shallow Oil securities contrary to section 53 of the *Act*.
9. No exemption from the registration and prospectus requirements under the *Act* applies to

the shares of Shallow Oil or to O'Brien, Da Silva, Gahunia and Grossman.

10. False or misleading information appears to have been posted on the Shallow Oil website in furtherance of the sale of shares contrary to s.126.1 of the *Act*. The sale of Shallow Oil shares to the public appears to have perpetrated a fraud on the members of the public who purchased the shares.

**AND WHEREAS** the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in s. 127(5) of the *Act*;

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

**AND WHEREAS** by Commission order made April 4, 2007 pursuant to section 3.5(3) of the *Act*, any one of W. David Wilson, James E.A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, is authorized to make orders under section 127 of the *Act*;

**IT IS ORDERED** pursuant to clause 2 of subsection 127(1) of the *Act* that all trading in securities by Shallow Oil shall cease and that all trading in Shallow Oil securities shall cease;

**IT IS FURTHER ORDERED** that pursuant to clause 2 of subsection 127(1) of the *Act* that Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia, also known as Michael Gahunia, and Abraham Herbert Grossman, also known as Allen Grossman, cease trading in all securities; and,

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

Dated at Toronto this "16th" day of January, 2008

"David Wilson"

**2.2.5 Sulja Bros. Building Supplies, Ltd. (Nevada) et al.**

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

**AND**

**IN THE MATTER OF  
SULJA BROS. BUILDING SUPPLIES, LTD. (NEVADA),  
SULJA BROS. BUILDING SUPPLIES LTD.,  
KORE INTERNATIONAL MANAGEMENT INC.,  
PETAR VUCICEVICH AND ANDREW DeVRIES**

**ORDER**

**WHEREAS** on December 22 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that immediately for a period of 15 days from the date thereof: (a) all trading in securities of Sulja Bros. Building Supplies, Ltd. (Nevada) ("Sulja Nevada") cease; and (b) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

**AND WHEREAS** on December 27, 2006, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

**AND WHEREAS** the Respondents Sulja Nevada, Sulja Bros. Building Supplies Ltd. ("Sulja Ontario"), Kore International Management Inc. ("Kore"), Petar Vucicevich ("Vucicevich") and Andrew DeVries do not oppose the continuation of the Temporary Order;

**AND WHEREAS** on January 8, 2007 the Temporary Order was extended to March 23, 2007;

**AND WHEREAS** on March 23, 2007 the Temporary Order was extended to July 5, 2007;

**AND WHEREAS** on July 5, 2007 the Temporary Order was extended to September 7, 2007;

**AND WHEREAS** on September 7, 2007 the Temporary Order was extended to October 31, 2007;

**AND WHEREAS** on October 31, 2007 the Temporary Order was extended to January 22, 2008;

**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 to March 28, 2008.

**DATED** at Toronto this 22nd day of January, 2008.

"James E. A. Turner"



2.2.6 Norshield Asset Management (Canada) Ltd. et al.

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

AND

NORSHIELD ASSET MANAGEMENT (CANADA) LTD.,  
OLYMPUS UNITED GROUP INC.,  
JOHN XANTHOUDAKIS,  
DALE SMITH AND PETER KEFALAS

ORDER

**WHEREAS** on October 11, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations with respect to this matter (the "Proceeding");

**AND WHEREAS** pursuant to an order made by the Commission on July 5, 2007, counsel for Staff of the Commission ("Staff") and counsel for the individual Respondents attended before the Commission on September 17, 2007, at which time the Commission set December 17, 18 and 19, 2007 as the dates for any pre-hearing motions in the Proceedings;

**AND WHEREAS** a pre-hearing conference with respect to this matter took place before the Commission on November 9, 2007 at which Staff and counsel for the individual respondents were in attendance and agreed to attend before the Commission on January 29 and 30, 2008 for the hearing of a pre-hearing motion with respect to disclosure;

**AND WHEREAS** on December 13, 2007, the Commission ordered that that the dates set by the Commission for the hearing of pre-hearing motions be adjourned to January 29 and 30, 2008;

**AND WHEREAS** Staff and counsel for the individual Respondents consent to the making of this Order;

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

**IT IS HEREBY ORDERED** that the dates set by the Commission for the hearing of pre-hearing motions be adjourned to February 7 and 8, 2008 at 10:00 a.m. at the offices of the Commission on the 17th floor of 20 Queen St. West in Toronto.

**DATED** at Toronto this "22nd" day of January, 2008.

"Wendell S. Wigle"

"David L. Knight"

2.2.7 Global Partners Capital et al. - ss. 127(1), 127(8)

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

AND

IN THE MATTER OF  
GLOBAL PARTNERS CAPITAL,  
WS NET SOLUTION, INC.,  
HAU WAI CHEUNG, CHRISTINE PAN,  
GURDIP SINGH GAHUNIA

ORDER

Section 127(1) and 127(8)

**WHEREAS** on October 10, 2007, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to section 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (i) all trading by the Respondents, their officers, directors, representatives and/or agents in the securities of Golden Apple Oil and Gas, Inc., Asia Pacific Energy, Inc., China Gold Corp., Energy Finders, Inc. and Premier Information Management, Inc. shall cease; and (ii) that the Respondents cease trading in all securities (the "Temporary Order");

**AND WHEREAS** the Commission ordered that the Temporary Order shall take effect immediately and expire on the 15th day after its making unless extended by order of the Commission;

**AND WHEREAS** on October 12, 2007 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on October 24, 2007 at 10 a.m. or as soon thereafter as the hearing can be held;

**AND WHEREAS** Staff of the Commission ("Staff") served Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung and Christine Pan with a certified copy of the Temporary Order and the Notice of Hearing as evidenced by the affidavit of Muriel Carson sworn October 23, 2007, filed with the Commission in the Evidence Brief of Staff;

**AND WHEREAS** all attempts by Staff to serve Gurdip Singh Gahunia prior to the October 24, 2007 hearing were unsuccessful;

**AND WHEREAS** Staff served an additional notice on Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung and Christine Pan that the hearing time was moved from 10 a.m. to 1 p.m. on October 24, 2007, as evidenced by the affidavit of Muriel Carson sworn October 23, 2007, filed with the Commission in the Evidence Brief of Staff;

**AND WHEREAS** the Commission held a hearing on October 24, 2007 at 1 p.m. and none of the Respondents attended before the Commission;

**AND WHEREAS** Staff served counsel for Gurdip Singh Gahunia with copies of the Temporary Order and Notice of Hearing on December 12, 2007;

**AND WHEREAS** counsel for all of the Respondents have advised Staff that the Respondents have consented to the extension of the Temporary Order until the conclusion of a hearing on the merits;

**AND WHEREAS** the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest pursuant to section 127(5) of the Act;

**AND WHEREAS** satisfactory information has not been provided to the Commission pursuant to section 127(8) of the Act;

**IT IS HEREBY ORDERED** pursuant to section 127(8) that the Temporary Order is extended until the conclusion of a hearing on the merits.

**DATED** at Toronto this 22nd day of January, 2008

“James E. A. Turner”

## 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
Stone Mountain Holdings Inc.	10 Jan 08	22 Jan 08	22 Jan 08	
The Helical Corporation Inc.	22 Jan 08	01 Feb 08		
FMF Capital Group Ltd.	23 Jan 08	04 Feb 08		
INTERGOLD LTD.	08 Jan 08	18 Jan 08		22 Jan 08
DoveCorp Enterprises Inc.	09 Jan 08	21 Jan 08	21 Jan 08	

### 4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Knightscope Media Corp.	04 Jan 08	17 Jan 08	17 Jan 08		

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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		
Fareport Capital Inc.	13 Jul 07	26 Jul 07	26 Jul 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		
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		

**Cease Trading Orders**

<b>Company Name</b>	<b>Date of Order or Temporary Order</b>	<b>Date of Hearing</b>	<b>Date of Permanent Order</b>	<b>Date of Lapse/ Expire</b>	<b>Date of Issuer Temporary Order</b>
TS Telecom Ltd.	06 Dec 07	19 Dec 07	19 Dec 07		
Mint Technology Corp.	03 Jan 08	16 Jan 08	16 Jan 08		
Knightscope Media Corp.	04 Jan 08	17 Jan 08	17 Jan 08		

## Chapter 5

# Rules and Policies

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- 5.1.1 CSA Notice of MI 11-102 Passport System, Companion Policy 11-102CP Passport System, Related Consequential Amendments to NI 11-202 Process for Prospectus Reviews in Multiple Jurisdictions and NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, and Rescission of NP 12-201 Mutual Reliance Review System for Exemptive Relief Applications and NP 43-201 Mutual Reliance Review System for Prospectuses

### CANADIAN SECURITIES ADMINISTRATORS

#### NOTICE OF MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM*, COMPANION POLICY 11-102CP *PASSPORT SYSTEM*, AND RELATED CONSEQUENTIAL AMENDMENTS

#### NATIONAL POLICY 11-202 *PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS*, AND NATIONAL POLICY 11-203 *PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS*,

AND

#### RESCISSION OF NATIONAL POLICY 12-201 *MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS*, AND NATIONAL POLICY 43-201 *MUTUAL RELIANCE REVIEW SYSTEM FOR PROSPECTUSES*

#### Introduction

Members of the Canadian Securities Administrators (CSA), other than the Ontario Securities Commission (OSC), (passport regulators) are implementing the next phase of the passport system for continuous disclosure, prospectuses and discretionary exemptions effective March 17, 2008. All CSA members, including the OSC, are implementing new national policies for the filing and review of prospectuses and exemptive relief applications and rescinding the corresponding mutual reliance review policies on the same date.

#### *Passport system*

Multilateral Instrument 11-102 *Passport System* (MI 11-102) and Companion Policy 11-102CP *Passport System* (CP 11-102) are initiatives of the passport regulators.

Each of the passport regulators has made or will make MI 11-102 as a rule or regulation. Each passport regulator has also adopted or will adopt CP 11-102 as a policy. The text of MI 11-102 and CP 11-102 are set out in Schedules A and B.

The purpose of MI 11-102 and CP 11-102 is to implement, in the main areas of securities regulation, a system that gives a market participant access to the capital markets in multiple jurisdictions by dealing only with its principal regulator and meeting the requirements of one set of harmonized laws.

Although the OSC is not adopting MI 11-102, it can be a principal regulator under the instrument, thereby giving market participants in Ontario access to the capital markets in passport jurisdictions by dealing only with the OSC.

### **Consequential amendments to national instruments and related documents**

The passport regulators are also adopting consequential amendments to the following instruments and policies (together, the related consequential amendments):

- National Instrument 14-101 *Definitions* (NI 14-101)
- National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101)
- National Instrument 81-104 *Commodity Pools* (NI 81-104)
- Companion Policy 81-104CP *Commodity Pools* (CP 81-104)
- Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101)
- Form 11-101F1 *Notice of Principal Regulator under Multilateral Instrument 11-101* (Form 11-1-01F1)
- Companion Policy 11-101CP *Principal Regulator System* (CP 11-101)
- Multilateral Instrument 52-110 *Audit Committees* (MI 52-110)
- Companion Policy 52-110CP to Multilateral Instrument 52-110 *Audit Committees* (CP 52-110)

The purpose of the consequential amendments to MI 11-101, CP 11-101 and Form 11-101F1 is to allow for the implementation of passport in stages. They repeal the principal regulator system for continuous disclosure, prospectuses and discretionary exemptions, but preserve the provisions related to the mobility exemptions (see *Background* below for further details).

The OSC did not and was not required to publish for comment the consequential amendments to NI 14-101, NI 58-101, NI 81-104, CP 81-104, MI 52-110 and CP 52-110 because the amendments are not material or do not apply in Ontario. The OSC made the amendments to NI 14-101 on December 18, 2007 and delivered them to the Minister of Finance on December 27, 2007 for approval. The OSC will change the references to MI 52-110 to read NI 52-110 in NI 58-101 at the earliest opportunity. The OSC will reflect the consequential amendments to the other instruments on its website.

The text of the related consequential amendments is in Schedules C to G. All the amendments related to NI 81-104 are in Schedule E, the amendments related to MI 11-101 are in Schedule F, and those related to NI 52-110 are in Schedule G. The British Columbia Securities Commission (BCSC) is not publishing Schedule G (see *Consequential Amendments to Local Rules* below for further details).

### **National filing and review process policies**

The following policies are initiatives of the CSA:

- National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (NP 11-202); and
- National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (NP 11-203).

Each member of CSA has adopted or will adopt NP 11-202 and NP 11-203. Their text is in Schedules H and I.

Each member of CSA is rescinding:

- National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* (NP 12-201)<sup>1</sup>, and
- National Policy 43-201 *Mutual Reliance Review System for Prospectuses* (NP 43-201)<sup>2</sup>.

NP 11-202 and NP 11-203 (together the interface policies) set out the processes for the filing and review of prospectuses and exemptive relief applications in multiple jurisdictions. These policies include interfaces for market participants in passport jurisdictions to gain access to the Ontario market. CSA intends to give access to exemption decisions made under NP 11-203 through the CSA website at [www.csa-acvm.ca](http://www.csa-acvm.ca).

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<sup>1</sup> In Québec, this policy is adopted as Notice 12-201 Relating to the Mutual Reliance Review System for Exemptive Relief Applications.

<sup>2</sup> In Québec, this policy is adopted as Notice 43-201 Relating to the Mutual Reliance Review System for Prospectuses.

Under MI 11-102 and the interface policies, the principal regulator for a prospectus offering or discretionary exemption application will usually be the regulator in the jurisdiction where the market participant's head office is located.

### ***Consequential amendments to local rules***

CSA members in some jurisdictions are also publishing a local notice to make consequential amendments to local rules.

The BCSC is adopting MI 52-110, CP 52-110 and the related forms, and repealing its local audit committee rule, BC Instrument 52-509 *Audit Committees*. Consequently, CSA is amending the title of MI 52-110 to reflect that it is a national instrument. The BCSC is publishing with the BC notice published at the same time as this notice a consolidated version of MI 52-110 and CP 52-110 that includes the consequential amendments in Schedule G.

The BCSC is giving reporting issuers that obtained a discretionary exemption from MI 52-110 and certain provisions of NI 81-104 and NI 58-101 in another Canadian jurisdiction before March 17, 2008 an equivalent exemption in British Columbia. This will put these reporting issuers in the same position in British Columbia as elsewhere in Canada when the BCSC adopts MI 52-110 and the amendments to NI 81-104 and NI 58-101. For more information, see the BC notice published at the same time as this notice.

### ***Effective date and transition***

MI 11-102 applies to a continuous disclosure document filed on or after March 17, 2008. It also applies to a preliminary prospectus or pro forma prospectus and their related prospectus, and to an amendment to a prospectus, filed on or after March 17, 2008. MI 11-102 does not apply to a preliminary prospectus amendment if the related preliminary prospectus was filed before March 17, 2008.

MI 11-102 also applies to an application for discretionary exemption filed

- on or after March 17, 2008, or
- before March 17, 2008, if the regulator in a specified jurisdiction granted the exemption before, on or after March 17, 2008 and a filer wishes to have an equivalent exemption in a passport jurisdiction after March 17, 2008.

MI 11-102 and CP 11-102 refer to rules (e.g., Multilateral Instrument 62-104 *Take-over bids and issuer bids*) and Act provisions that CSA expects to be in force on March 17, 2008.

The process set out in NP 12-201 will continue to apply to a discretionary exemptive relief application and any related pre-filing filed before March 17, 2008. Similarly, the process set out in NP 43-201 will continue to apply to

- a preliminary prospectus, pro forma prospectus, a preliminary prospectus amendment and prospectus amendment filed before March 17, 2008,
- a prospectus if the related preliminary prospectus or pro forma prospectus was filed before March 17, 2008, and
- a preliminary prospectus amendment if the related preliminary prospectus was filed before March 17, 2008.

### ***Passport for registration***

When the passport regulators published proposed MI 11-102 and related documents for comment in March 2007, the proposed rule included passport for registration provisions. The passport regulators plan to amend MI 11-102 and CP 11-102 to include the passport for registration at the same time as, or after, implementing proposed National Instrument 31-103 *Registration Requirements* (NI 31-103). CSA expects to publish proposed NI 31-103 for a second comment period early in 2008 and expects to publish proposed National Policy 11-204 *Process for registration in multiple jurisdictions* for comment in due course.

### ***Impact of new Securities Acts on discretionary exemptions***

The governments of Prince Edward Island and Yukon each plan to proclaim into force a new *Securities Act* by March 17, 2008 and to adopt concurrently MI 11-102 and all the other CSA national instruments as rules. The governments of Northwest Territories and Nunavut each expect to introduce a new *Securities Act* and, if enacted, to adopt all CSA national instruments as rules. It is expected that the new *Securities Act* for all four jurisdictions will be highly harmonized.

The references to the securities legislation in the appendices to MI 11-102 for Prince Edward Island and Yukon are to their new *Securities Act* and related rules. The references for Northwest Territories and Nunavut are to their current securities legislation.

## **Background**

The passport regulators published for comment MI 11-102, CP 11-102, the related consequential amendments and the repeal of MI 11-101, Form 11-101F1, CP 11-101, and NP 43-201 on March 28, 2007. The OSC did not publish MI 11-102 related materials for comment. Rather, on March 28, 2007, it published OSC Notice 11-904 *Request for Comment regarding the Proposed Passport System*.

At that time, passport regulators indicated that CSA had published for comment in proposed NI 31-103 a revised mobility exemption that would replace the mobility exemption in Part 5 of MI 11-101. Passport regulators also indicated that, subject to comments received, CSA would move that exemption into a separate national instrument between the repeal of MI 11-101 and the implementation of NI 31-103.

Instead, the passport regulators are amending MI 11-101, CP 11-101 and Form 11-101F1 to repeal the provisions dealing with passport for continuous disclosure, prospectuses and discretionary exemptions and retain the provisions for the mobility exemptions. Subject to comments received, CSA anticipates including the modified mobility exemptions in proposed NI 31-103 when CSA finalizes that rule and the passport regulators expect repealing amended MI 11-101 at the same time.

CSA published for comment NP 11-202 and NP 11-203 and the rescission of NP 12-201 and NP 43-201 on August 31, 2007.

## **Summary of Written Comments**

The passport regulators received 17 submissions on MI 11-102 and CP 11-102, seven of which the OSC also received in response to OSC notice 11-904. CSA received three submissions on the interface policies. All the comment letters are posted on the Alberta Securities Commission website at [www.albertasecurities.com](http://www.albertasecurities.com). Comments received by the OSC are also published on its website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca). CSA thanks commenters for their submissions on the two requests for comment.

CSA considered the comments and is publishing a combined summary of comments and responses as Schedule J to this notice. The summary includes the names of the commenters, a summary of their comments, and the CSA responses to comments that do not relate specifically to the passport for registration. Passport regulators will respond to those comments when finalizing the passport for registration.

## **Summary of Changes**

### ***MI 11-102***

Passport regulators made amendments to MI 11-102 to implement passport first for continuous disclosure, prospectuses and exemption applications. This means the provisions relating to passport for registration were deleted from the instrument. Passport regulators also removed the concept of determination date to identify the principal regulator for a prospectus offering made under MI 11-102 and instead provided guidance in NP 11-202 and NP 11-203 on how to identify the principal regulator for a pre-filing or waiver application. Passport regulators clarified how to determine the principal regulator for an exemption application in certain situations. In addition, passport regulators added transition provisions and removed the provision that allows the regulators to grant an exemption from the instrument because the passport regulators' authority for these exemptions is in their respective *Securities Act*. The changes to MI 11-102 are not material and do not need to be republished for comment.

### ***CP 11-102***

Passport regulators made changes to CP 11-102 to delete the guidance for the passport for registration, add a discussion of how MI 11-102 and the interfaces with Ontario work, and delete information that is now included in NP 11-202 and NP 11-203. Passport regulators clarified that the OSC can be a principal regulator despite not adopting MI 11-102.

### ***Interface policies***

CSA made changes to NP 11-202 and NP 11-203 to deal with technical issues raised in comment letters or otherwise.



## Questions

Please refer your questions to any of:

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**Rules and Policies**

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January 25, 2008

## SCHEDULE A

### MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM*

#### **PART 1 DEFINITIONS**

- 1.1 Definitions
- 1.2 Language of documents - Québec

#### **PART 2 CONTINUOUS DISCLOSURE**

- 2.1 Exemption from non-harmonized continuous disclosure requirements

#### **PART 3 PROSPECTUS**

- 3.1 Principal regulator for prospectus
- 3.2 Discretionary change of principal regulator for prospectus
- 3.3 Deemed issuance of receipt
- 3.4 Exemption from non-harmonized prospectus requirements
- 3.5 Transition for section 3.3

#### **PART 4 DISCRETIONARY EXEMPTIONS**

- 4.1 Specified jurisdiction
- 4.2 Principal regulator – general
- 4.3 Principal regulator – exemptions related to insider reporting and take-over bids
- 4.4 Principal regulator – head office not in a specified jurisdiction
- 4.5 Principal regulator – exemption not sought in principal jurisdiction
- 4.6 Discretionary change of principal regulator for discretionary exemption applications
- 4.7 Passport application of discretionary exemptions
- 4.8 Availability of passport for discretionary exemptions applied for before March 17, 2008

#### **PART 5 EFFECTIVE DATE**

- 5.1 Effective date

#### **APPENDIX A**

Non-harmonized continuous disclosure provisions

#### **APPENDIX B**

Prospectus provisions

#### **APPENDIX C**

Non-harmonized prospectus provisions

#### **APPENDIX D**

Equivalent provisions

**MULTILATERAL INSTRUMENT 11-102  
PASSPORT SYSTEM**

**PART 1 DEFINITIONS**

**1.1 Definitions**

In this Instrument,

“equivalent provision” means, for a provision listed in Appendix D below the name of a jurisdiction, the provision set opposite that provision below the name of another jurisdiction;

“national prospectus instrument” means

- (a) National Instrument 41-101 *General Prospectus Requirements*,
- (b) National Instrument 44-101 *Short Form Prospectus Distributions*,
- (c) National Instrument 44-102 *Shelf Distributions*,
- (d) National Instrument 44-103 *Post-Receipt Pricing*, or
- (e) National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

“preliminary prospectus” includes an amendment to a preliminary prospectus;

“principal jurisdiction” means, for a person or company, the jurisdiction of the principal regulator;

“principal regulator” means, for a person or company, the securities regulatory authority or regulator determined in accordance with Part 3 or 4, as applicable;

“prospectus” includes an amendment to a prospectus;

“SEDAR” has the same meaning as in National Instrument 13-101 *System for Electronic Document Analysis and Retrieval*.

**1.2 Language of documents - Québec**

In Québec, nothing in this Instrument shall be construed as relieving a person from requirements relating to the language of documents.

**PART 2 CONTINUOUS DISCLOSURE**

**2.1 Exemption from non-harmonized continuous disclosure requirements**

A provision listed in Appendix A does not apply to a reporting issuer if the reporting issuer is also a reporting issuer under the securities legislation of another jurisdiction of Canada.

**PART 3 PROSPECTUS**

**3.1 Principal regulator for prospectus**

- (1) For the purposes of this section, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.
- (2) Subject to subsection (3) and section 3.2, for the purposes of a prospectus filing subject to this Part the principal regulator is the securities regulatory authority or regulator of the jurisdiction in which
  - (a) the issuer’s head office is located, if the issuer is not an investment fund, or
  - (b) the investment fund manager’s head office is located, if the issuer is an investment fund.

- (3) If the jurisdiction identified under paragraph (2) (a) or (b) is not a specified jurisdiction, the principal regulator is the securities regulatory authority or regulator of the specified jurisdiction with which the issuer or, in the case of an investment fund, the investment fund manager, has the most significant connection.

### **3.2 Discretionary change of principal regulator for prospectus**

If a person or company receives written notice from a securities regulatory authority or regulator that specifies a principal regulator, the securities regulatory authority or regulator specified in the notice is the principal regulator as of the later of

- (a) the date the person or company receives the notice, and
- (b) the effective date specified in the notice, if any.

### **3.3 Deemed issuance of receipt**

- (1) Subject to section 3.5(1), a receipt for a preliminary prospectus is deemed to be issued if
- (a) the preliminary prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,
  - (b) at the time of filing the preliminary prospectus, the filer indicates on SEDAR that it is filing the preliminary prospectus under this Instrument,
  - (c) the local jurisdiction is not the principal jurisdiction for the preliminary prospectus, and
  - (d) the preliminary prospectus is filed with the principal regulator and the principal regulator issues a receipt for it.
- (2) A receipt for a prospectus is deemed to be issued if
- (a) the prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,
  - (b) subject to section 3.5(2), the filer
    - (i) complied with paragraph (1)(b) at the time of filing the related preliminary prospectus, or
    - (ii) indicated on SEDAR that it filed the related pro forma prospectus under this Instrument at the time of filing the related pro forma prospectus,
  - (c) the local jurisdiction is not the principal jurisdiction for the prospectus, and
  - (d) the prospectus is filed with the principal regulator and the principal regulator issues a receipt for the prospectus.

### **3.4 Exemption from non-harmonized prospectus requirements**

- (1) A provision listed in Appendix C does not apply to a preliminary prospectus if
- (a) the preliminary prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,
  - (b) the preliminary prospectus is filed in at least one other jurisdiction of Canada, and
  - (c) a jurisdiction where the preliminary prospectus is filed is the principal jurisdiction for the filing of the preliminary prospectus.
- (2) A provision listed in Appendix C does not apply to a prospectus, other than a preliminary prospectus, if
- (a) the prospectus is filed under a provision set out in Appendix B and under a national prospectus instrument,
  - (b) the prospectus is filed in at least one other jurisdiction of Canada, and
  - (c) a jurisdiction where the prospectus is filed is the principal jurisdiction for the filing of the prospectus.

### **3.5 Transition for section 3.3**

- (1) Section 3.3(1) does not apply in respect of a receipt issued on or after March 17, 2008 if the receipt relates to an amendment, filed after March 17, 2008, to a preliminary prospectus and the preliminary prospectus was filed before March 17, 2008.
- (2) Section 3.3(2)(b) does not apply in respect of a receipt issued on or after March 17, 2008 if
  - (a) the receipt relates to an amendment to a prospectus whose related preliminary prospectus or pro forma prospectus was filed before March 17, 2008, and
  - (b) the filer indicated on SEDAR that it filed the amendment under this Instrument at the time of filing the amendment.

## **PART 4 DISCRETIONARY EXEMPTIONS**

### **4.1 Specified jurisdiction**

For the purposes of this Part, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

### **4.2 Principal regulator – general**

Subject to sections 4.3 to 4.6, the principal regulator for an application for an exemption is,

- (a) for an application made with respect to an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the investment fund manager's head office is located, or
- (b) for an application made with respect to a person or company other than an investment fund, the securities regulatory authority or regulator of the jurisdiction in which the person or company's head office is located.

### **4.3 Principal regulator – exemptions related to insider reporting and take-over bids**

Subject to sections 4.4 to 4.6, the principal regulator for an application for an exemption from

- (a) a provision related to insider reporting listed in Appendix D is the securities regulatory authority or regulator of the jurisdiction in which the head office of the reporting issuer is located, or
- (b) a provision related to take-over bids listed in Appendix D is the securities regulatory authority or regulator of the jurisdiction in which the head office of the issuer whose securities are subject to the take-over bid is located.

### **4.4 Principal regulator – head office not in a specified jurisdiction**

Subject to section 4.5 and 4.6, if the jurisdiction identified under section 4.2 or 4.3, as applicable, is not a specified jurisdiction, the principal regulator for the application is the securities regulatory authority or regulator of the specified jurisdiction with which

- (a) in the case of an application for an exemption from a provision related to insider reporting listed in Appendix D, the reporting issuer has the most significant connection,
- (b) in the case of an application for an exemption related to a provision related to take-over bids listed in Appendix D, the issuer whose securities are subject to the take-over bid has the most significant connection, or
- (c) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

### **4.5 Principal regulator – exemption not sought in principal jurisdiction**

- (1) Subject to subsection (2), if a person or company is not seeking an exemption in the jurisdiction of the principal regulator, as determined under section 4.2, 4.3 or 4.4, as applicable, the principal regulator for the application is the securities regulatory authority or regulator in the specified jurisdiction

- (a) in which the person or company is seeking the exemption, and
  - (b) with which
    - (i) in the case of an application for an exemption from a provision related to insider reporting, the reporting issuer has the most significant connection,
    - (ii) in the case of an application for an exemption from a provision related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or
    - (iii) in any other case, the person or company, or in the case of an investment fund, the investment fund manager, has the most significant connection.
- (2) If at any one time a person or company is seeking more than one exemption and not all of the exemptions are needed in the jurisdiction of the principal regulator, as determined under section 4.2, 4.3 or 4.4 or subsection (1), as applicable, the person or company may make the application to the securities regulatory authority or regulator in the specified jurisdiction
- (a) in which the person or company is seeking all of the exemptions, and
  - (b) with which
    - (i) in the case of an application for an exemption from a provision related to insider reporting, the reporting issuer has the most significant connection,
    - (ii) in the case of an application for exemption from a provision related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or
    - (iii) in any other case, the person or company, or in the case of an investment fund, the investment fund manager, has the most significant connection.
- (3) If a person makes an application under subsection (2), the securities regulatory authority or regulator under that subsection is the principal regulator for the application.

#### **4.6 Discretionary change of principal regulator for discretionary exemption applications**

If a person or company receives written notice from a securities regulatory authority or regulator that specifies a principal regulator for the person or company's application, the securities regulatory authority or regulator specified in the notice is the principal regulator for the application.

#### **4.7 Passport application of discretionary exemptions**

- (1) If an application is made in the principal jurisdiction for an exemption from a provision of securities legislation listed in Appendix D, the equivalent provision of the local jurisdiction does not apply if
- (a) the local jurisdiction is not the principal jurisdiction for the application,
  - (b) the principal regulator for the application granted the exemption,
  - (c) the person or company that made the application gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the equivalent provision of the local jurisdiction, and
  - (d) the person or company relying on the exemption complies with any terms, conditions, restrictions or requirements imposed by the principal regulator as if they were imposed in the local jurisdiction.
- (2) For the purpose of paragraph (1) (c), the person or company may give the notice referred to in that paragraph by giving it to the principal regulator.

#### **4.8 Availability of passport for discretionary exemptions applied for before March 17, 2008**

- (1) If, before March 17, 2008, an application was made in a specified jurisdiction for an exemption from a provision of securities legislation listed in Appendix D, the equivalent provision of the local jurisdiction does not apply if

- (a) the local jurisdiction is not the specified jurisdiction,
  - (b) the securities regulatory authority or regulator in the specified jurisdiction granted the exemption whether the order was made before, on or after March 17, 2008,
  - (c) subject to subsection (3), the person or company that made the application gives notice to the securities regulatory authority or regulator that this subsection is intended to be relied upon for the equivalent provision of the local jurisdiction, and
  - (d) the person or company relying on the exemption complies with any terms, conditions, restrictions or requirements imposed by the securities regulatory authority or regulator in the specified jurisdiction as if they were imposed in the local jurisdiction.
- (2) For the purpose of paragraph (1) (c), the person or company may give the notice referred to in that paragraph by giving it to the securities regulatory authority or regulator that would be the principal regulator under Part 4 if an application were to be made under that Part at the time the notice is given.
- (3) Paragraph (1)(c) does not apply to a reporting issuer in respect of an exemption from a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, if, before March 17, 2008,
- (a) the principal regulator, identified under that Instrument, granted the exemption, and
  - (b) the reporting issuer filed the notice of principal regulator under section 2.2 or 2.3 of that Instrument.

## **PART 5 EFFECTIVE DATE**

### **5.1 Effective date**

This Instrument comes into force on March 17, 2008.



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**APPENDIX A**  
**Non-harmonized continuous disclosure provisions**

<b>Jurisdiction</b>	<b>Provisions</b>
British Columbia	sections 2 (Foreign financial statements and reports), and 3, other than subsection 3(3) ( <i>Preparation of financial statements</i> ) of the Securities Rules
Alberta	none
Saskatchewan	none
Manitoba	none
Québec	none
New Brunswick	none
Nova Scotia	none
Prince Edward Island	none
Newfoundland and Labrador	none
Yukon	none
Northwest Territories	none
Nunavut	none

**APPENDIX B**  
**Prospectus provisions**

<b>Jurisdiction</b>	<b>Securities Act provisions</b>
British Columbia	sections 61(1) (Prospectus required) and 62 ( <i>Voluntary filing of prospectus</i> )
Alberta	section 110 ( <i>Filing prospectus</i> )
Saskatchewan	section 58 ( <i>Prospectus required</i> )
Manitoba	sections 37(1) ( <i>Prohibition as to trading</i> ) and 37(1.1) ( <i>Voluntary filing of non-offering prospectus</i> )
Ontario	section 53 ( <i>Prospectus required</i> )
Québec	sections 11 (Prospectus required), 12 ( <i>Distribution outside Québec</i> ), and 68 (para 2) ( <i>Voluntary filing of prospectus</i> )
New Brunswick	section 71 ( <i>Filing of preliminary prospectus and prospectus required and voluntary filing of prospectus</i> )
Nova Scotia	sections 58(1) ( <i>Prospectus required</i> ) and 58(2) ( <i>Prospectus to enable issuer to become a reporting issuer where no distribution is contemplated</i> )
Prince Edward Island	section 94 ( <i>Prospectus required</i> )
Newfoundland and Labrador	sections 54.(1) ( <i>Prospectus required</i> ) and 54.(2) ( <i>Prospectus to enable issuer to become a reporting issuer where no distribution is contemplated</i> )
Yukon	section 94 ( <i>Prospectus required</i> )
Northwest Territories	section 27(2) ( <i>Prohibition</i> )
Nunavut	section 27(2) ( <i>Prohibition</i> )

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**APPENDIX C**  
**Non-harmonized prospectus provisions**

<b>Jurisdiction</b>	<b>Provisions</b>
British Columbia	sections 2 ( <i>Foreign financial statements and reports</i> ), and 3, other than subsection 3(3) ( <i>Preparation of financial statements</i> ) of the Securities Rules
Alberta	none
Saskatchewan	none
Manitoba	none
Québec	section 25 ( <i>Distribution made by the issuer itself</i> ) of Securities Regulation
New Brunswick	none
Nova Scotia	none
Prince Edward Island	none
Newfoundland and Labrador	none
Yukon	none
Northwest Territories	none
Nunavut	none

**APPENDIX D**  
**Equivalent provisions**

All references are to provisions of the *Securities Act* of the relevant jurisdiction unless otherwise noted. All references to 'NI' are to 'National Instruments'. All references to 'MI' are to 'Multilateral Instruments'.

Provinces are abbreviated as follows:

BC	British Columbia
AB	Alberta
SK	Saskatchewan
MB	Manitoba
Qué	Québec
NS	Nova Scotia
NB	New Brunswick
PEI	Prince Edward Island
NL	Newfoundland and Labrador
YK	Yukon
NWT	North West Territories
Nun	Nunavut
ON	Ontario

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
SEDAR					NI 13-101								
Marketplace operation					NI 21-101 (only Parts 6, 7 – 11, as they apply to an ATS, and 13)								
Trading rules					NI 23-101 (only Parts 4 and 8 – 11)								
Institutional trade matching and settlement					NI 24-101						n/a		NI 24-101
National registration database (NRD)					NI 31-102								
Underwriting conflicts					NI 33-105								
Registrant information					NI 33-109								
Prospectus disclosure requirements					NI 41-101 (except as noted below)								
Certificate of issuer					s. 5.3(1) of NI 41-101								s. 58
Certificate of corporate issuer					s. 5.4(1) of NI 41-101								s. 58
Certificate of issuer involved in reverse takeover					s. 5.8 of NI 41-101								n/a
Certificate of underwriter					s. 5.9(1) of NI 41-101								s. 59(1)
Certificate of promoter					s. 5.11(1) of NI 41-101								s. 58(1)
Delivery of amendments					s. 6.4 of NI 41-101								s. 57(3)
Amendment to a preliminary prospectus					s. 6.5(1) of NI 41-101								s. 57(1)
Amendment to a final prospectus					s. 6.6(1) of NI 41-101								s. 57(1)
Amendment to a final prospectus					s. 6.6(2) of NI 41-101								s. 57(2)
Regulator must issue receipt					s. 6.6(3) of NI 41-101								s. 57(2.1)

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
Regulator must not refuse a receipt					s. 6.6(4) of NI 41-101								ss. 57(2.1) and 61(3)
Prohibition against distribution					s. 6.6(5) of NI 41-101								s. 57(2.2)
Distribution of preliminary prospectus and distribution list					s. 16.1 of NI 41-101								ss. 66 and 67
Statement of rights					s. 18.1 of NI 41-101								s. 60
Disclosure standards for mineral projects					NI 43-101								
Short form prospectus distribution requirements					NI 44-101								
Shelf prospectus requirements					NI 44-102								
Post receipt pricing					NI 44-103								
Rights offering requirements					NI 45-101								
Resale of securities					NI 45-102								
Standards of disclosure for oil and gas activities					NI 51-101						n/a		NI 51-101
Continuous disclosure obligations					NI 51-102 (except as noted below)						n/a		NI 51-102 (except as noted below)
Publication of material change					s. 7.1 of NI 51-102						n/a		s. 75 of Securities Act and s. 3(1.1) of Regulation 1015 (General)
Accounting principles, auditing standards and reporting currency requirements					NI 52-107								
Auditor oversight					NI 52-108								
Certification of disclosure in annual and interim filings					NI 52-109								

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
Audit committees					NI 52-110								
Communication with beneficial owners					NI 54-101						n/a		NI 54-101
System for electronic disclosure by insiders (SED)					NI 55-102						n/a		NI 55-102
Insider reporting for certain derivative transactions (EM) - Reporting requirement	ss. 87(2), (5) and (6)				s. 2.1 of MI 55-103						n/a		s. 2.1 of MI 55-103
EM – Existing agreements which continue in force	s. 87.1				s. 2.3 of MI 55-103						n/a		s. 2.3 of MI 55-103
EM – Existing agreements entered into prior to becoming insider	s. 87(2) and (6)				s. 2.4 of MI 55-103						n/a		s. 2.4 of MI 55-103
EM – Form and timing of report	s. 87(2), (5) and (6) of Securities Act and s. 155.1(1), (2) and (3) of Securities Rules				s. 3.1 of MI 55-103						n/a		s. 3.1 of MI 55-103
EM – Form and timing of report for existing agreements	s. 87.1 of Securities Act and s. 155.1(4) of Securities Rules				s. 3.2 of MI 55-103						n/a		s. 3.2 of MI 55-103
EM – Form and timing of report for existing agreements entered into prior to becoming insider	s. 87 (2) and (6) of Securities Act and s. 155.1(1) and (3) of Securities Rules				s. 3.3 of MI 55-103						n/a		s. 3.3 of MI 55-103
Disclosure of corporate governance practices					NI 58-101						n/a		NI 58-101

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
Protection of minority security holders in special transactions	n/a				MI 61-101	n/a							MI 61-101
Early warning reports and other take-over bid and insider reporting requirements					NI 62-103						n/a		NI 62-103
Take-over bids and issuer bid requirements (TOB/IB) – Restrictions on acquisitions during take-over bid					s. 2.2(1) of MI 62-104								s. 93.1(1)
TOB/IB – Restrictions on acquisitions during issuer bid					s. 2.3(1) of MI 62-104								s. 93.1(4)
TOB/IB – Restrictions on acquisitions before take-over bid					s. 2.4(1) of MI 62-104								s. 93.2(1)
TOB/IB – Restrictions on acquisitions after bid					s. 2.5 of MI 62-104								s. 93.3(1)
TOB/IB – Restrictions on sales during formal bid					s. 2.7(1) of MI 62-104								s. 97.3(1)
TOB/IB – Duty to make bid to all security holders					s. 2.8 of MI 62-104								s. 94
TOB/IB – Commencement of bid					s. 2.9 of MI 62-104								s. 94.1(1) and (2)
TOB/IB – Offeror's circular					s. 2.10 of MI 62-104								s. 94.2(1) - (4) of Securities Act and s. 3.1 of OSC Rule 62-504
TOB/IB – Change in information					s. 2.11(1) of MI 62-104								s. 94.3(1)
TOB/IB – Notice of change					s. 2.11(4) of MI 62-104								s. 94.3(4) of Securities Act and s. 3.4 of OSC Rule 62-504



Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
TOB/IB – Variation of terms					s. 2.12(1) of MI 62-104								s. 94.4(1)
TOB/IB – Notice of variation					s. 2.12(2) of MI 62-104								s. 94.4(2) of Securities Act and s. 3.4 of OSC Rule 62-504
TOB/IB – Expiry date of bid if notice of variation					s. 2.12(3) of MI 62-104								s. 94.4(3)
TOB/IB – No variation after expiry					s. 2.12(5) of MI 62-104								s. 94.4(5)
TOB/IB – Filing and sending notice of change or notice of variation					s. 2.13 of MI 62-104								s. 94.5
TOB/IB – Change or variation in advertised take-over bid					s. 2.14(1) of MI 62-104								s. 94.6(1)
TOB/IB – Consent of expert – bid circular					s. 2.15(2) of MI 62-104								s. 94.7(1)
TOB/IB – Delivery and date of bid documents					s. 2.16(1) of MI 62-104								s. 94.8(1)
TOB/IB – Duty to prepare and send directors' circular					s. 2.17 of MI 62-104								s. 95(1) – (4) of Securities Act and s. 3.2 of OSC Rule 62-504
TOB/IB – Notice of change					s. 2.18 of MI 62-104								s. 95.1(1) and (2) of Securities Act and s. 3.4 of OSC Rule 62-504
TOB/IB – Filing directors' circular or notice of change					s. 2.19 of MI 62-104								s. 95.2
TOB/IB – Change in information in director's or officer's circular or notice of change					s. 2.20(2) of MI 62-104								s. 96(2)

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
TOB/IB – Form of director's or officer's circular					s. 2.20(3) of MI 62-104								s. 96(3) of Securities Act and s. 3.3 of OSC Rule 62-504
TOB/IB – Send director's or officer's circular or notice of change to securityholders					s. 2.20(5) of MI 62-104								s. 96(5)
TOB/IB – File and send to offeror director's or officer's circular or notice of change					s. 2.20(6) of MI 62-104								s. 96(6)
TOB/IB – Form of notice of change for director's or officer's circular					s. 2.20(7) of MI 62-104								s. 96(7) of Securities Act and s. 3.4 of OSC Rule 62-504
TOB/IB – Consent of expert, directors circular, etc.					s. 2.21 of MI 62-104								s. 96.1
TOB/IB – Delivery and date of offeree issuer's documents					s. 2.22(1) of MI 62-104								s. 96.2(1)
TOB/IB – Consideration					s. 2.23(1) of MI 62-104								s. 97(1)
TOB/IB – Variation of consideration					s. 2.23(3) of MI 62-104								s. 97(3)
TOB/IB – Prohibition against collateral agreements					s. 2.24 of MI 62-104								s. 97.1(1)
TOB/IB – Proportionate take up and payment					s. 2.26(1) of MI 62-104								s. 97.2(1)
TOB/IB – Financing arrangements					s. 2.27(1) of MI 62-104								s. 97.3(1)
TOB/IB – Minimum deposit period					s. 2.28 of MI 62-104								s. 98(1)
TOB/IB – Prohibition on take up					s. 2.29 of MI 62-104								s. 98(2)

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
TOB/IB – Obligation to take up and pay for deposited securities					s. 2.32 of MI 62-104								s. 98.3
TOB/IB – Return of deposited securities					s. 2.33 of MI 62-104								s. 98.5
TOB/IB – News release on expiry of bid					s. 2.34 of MI 62-104								s. 98.6
TOB/IB – Language of bid documents					s. 3.1 of MI 62-104								n/a
TOB/IB – Filing of documents by offeror					s. 3.2(1) of MI 62-104								s. 98.7 of Securities Act and s. 5.1(1) of OSC Rule 62-504
TOB/IB – Filing of documents by offeree issuer					s. 3.2(2) of MI 62-104								s. 5.1(2) of OSC Rule 62-504
TOB/IB – Time period for filing					s. 3.2(3) of MI 62-104								s. 5.1(3) of OSC Rule 62-504
TOB/IB – Filing of subsequent agreement					s. 3.2(4) of MI 62-104								s. 5.1(4) of OSC Rule 62-504
TOB/IB – Certification of bid circulars					s. 3.3(1) of MI 62-104								s. 99(1)
TOB/IB – All directors and officers sign					s. 3.3(2) of MI 62-104								s. 99(2)
TOB/IB – Certification of directors' circular					s. 3.3(3) of MI 62-104								s. 99(3)
TOB/IB – Certification of individual director's or officer's circular					s. 3.3(4) of MI 62-104								s. 99(4)
TOB/IB – Obligation to provide security holder list					s. 3.4(1) of MI 62-104								s. 99.1(1)
TOB/IB – Application of <i>Canada Business Corporations Act</i>					s. 3.4(2) of MI 62-104								s. 99.1(2)

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
TOB/IB – Early Warning					s. 5.2 of MI 62-104								s. 102.1(1) – (4) of Securities Act and s. 7.1 of OSC Rule 62-504
TOB/IB – Acquisitions during bid					s. 5.3 of MI 62-104								s. 102.2(1) and (2) of Securities Act and s. 7.2(1) of OSC Rule 62-504
TOB/IB – Copies of news release and report					s. 5.5 of MI 62-104								s. 7.2(3) of OSC Rule 62-504
Multi-jurisdictional disclosure system					NI 71-101								
Mutual fund prospectus disclosure					NI 81-101								
Mutual fund requirements					NI 81-102								
Commodity pools					NI 81-104								
Mutual fund sales practices					NI 81-105								
Investment fund continuous disclosure					NI 81-106								
Independent review committee					NI 81-107								

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
<b>Registration</b>													
Dealer registration requirement	s. 34(1)(a)	s. 75(1)(a)	s. 27(a)	s. 6(1)	ss. 148 & 149	s. 31(1)(a)	s. 45(a)	s. 86(1)(a)	s. 26(1)(a)	s. 86(1)(a)	s. 4	s. 4	s. 25(1)(a)
Underwriter registration requirement	s. 34(1)(b)	s. 75(1)(a)	n/a	s. 6(1)	s. 148	s. 31(1)(b)	n/a	s. 86(2)	s. 26(1)(b)	s. 86(2)	n/a	n/a	s. 25(1)(a)
Adviser registration requirement	s. 34(1)(c)	s. 75(1)(b)	s. 27(c)	s. 6(7)	ss. 148 & 149	s. 31(1)(c)	s. 45(b)	s. 86(1)(b)	s. 26(1)(c)	s. 86(1)(b)	s. 4	s. 4	s. 25(1)(c)
<b>Trading in Securities Generally</b>													
Registered dealer acting as principal	s. 51	s. 94	s. 45	s. 70	s. 163 of Securities Act and s. 234.3 of Securities Regulation	s. 45	s. 59	n/a	s. 40	n/a	n/a	n/a	s. 39
Disclosure of investor relations activities	s. 52	n/a	n/a	n/a	n/a	n/a	s. 62	n/a	n/a	n/a	n/a	n/a	n/a
Use of name of another registrant	s. 53	s. 99	s. 49	s. 73	n/a	s. 49	s. 63	n/a	s. 44	n/a	n/a	n/a	s. 43
<b>Trading in Exchange Contracts</b>													
Trading exchange contracts on an exchange in jurisdiction	s. 58	s. 106 & 107	s. 40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Trading exchange contracts on an exchange outside jurisdiction	s. 59	s. 108 & 109	s. 41	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Prospectus</b>													
Prospectus requirement	s. 61	s. 110	s. 58	s. 37	ss. 11 and 12	s. 58	s. 71(1)	s. 94	s. 54	s. 94	s. 27	s. 27	s. 53

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
Contents of prospectus (full, true & plain disclosure)	s. 63	s. 113	s. 61	s. 41	ss. 13 and 20	s. 61	s. 74	s. 99	s. 57	s. 99	n/a	n/a	s. 56
Waiting period communications	s. 78	s. 123	s. 73	s. 38	ss. 21 & 22	s. 70	s. 82	s. 97	s. 66	s. 97	n/a	n/a	s. 65(2)
Obligation to send prospectus	s. 83	s. 129	s. 79	s. 64	ss. 29, 30, 31 and 32	s. 76	s. 88	s. 101(1)	s. 72	s. 101(1)	s. 28	s. 28	s. 71(1)
<b>Requirements when using prospectus exemptions</b>													
Filing disclosure documents in connection with exemption	n/a	s. 127.2 of ASC Rules	s. 80.1	n/a	s. 37.2 of Securities Regulation	n/a	s. 2.3 of Local Rule 45-802	n/a	n/a	n/a	n/a	n/a	s. 6.4 of OSC Rule 45-501
Filing report of exempt distribution	s. 139 of Securities Rules and ss. 6.1 and 6.3 of NI 45-106	s. 129.1 of ASC Rules and ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	s. 7 of Regulation and ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	ss. 6.1 and 6.3 of NI 45-106	n/a	n/a	s. 7.1 of OSC Rule 45-501 and ss. 6.1 and 6.3 of NI 45-106
<b>Continuous Disclosure</b>													
Voting if proxies provided	s. 118	s. 157	s. 96	s. 105	n/a	s. 93	ss. 102 and 103(2)	n/a	s. 88	n/a	n/a	n/a	s. 87
Shares in name of registrant not to be voted	s. 182 of Securities Rules	s. 104	s. 55	s. 79	s. 164	s. 55	s. 103(3) - (7)	s. 163	s. 50	s. 163	n/a	n/a	s. 49

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Mun	ON
<b>Insider Reporting</b>													
Insider reports –filing upon becoming an insider of a reporting issuer	s. 87(2) other than as it applies to a related financial instrument	s. 182 (1)	s. 116(1)	s. 109	s. 96	ss. 113(1) of Securities Act and 172 of General Securities Rules	s. 135(1)	s. 1(1) of Local Rule 55-501	s. 108(1)	n/a	n/a	n/a	s. 107(1)
Insider reports –filing upon acquisition or change in securities	s. 87 (5) other than as it applies to a related financial instrument	s. 182 (2)	s. 116(2)	s. 109	s. 97	s. 113(2)	s. 135(2)	s. 1(2) of Local Rule 55-501	s. 108(2)	n/a	n/a	n/a	s. 107(2)
Insider reports –filing upon being deemed an insider	s. 87 (6) other than as it applies to a related financial instrument	s. 182 (3)	s. 116(3)	s. 109	s. 98	s. 113(4)	s. 135(3)	s. 1(3) of Local Rule 55-501	s. 108(3)	n/a	n/a	n/a	s. 107(3)
Time periods for filing insider reports	s. 155.1 of Securities Rules other than as it applies to a related financial instrument	s. 190 of ASC Rules	s. 165(1) of Regulations	s. 109	ss. 171, 171.1, 172 & 174 of Securities Regulation	s. 113	s. 5 of Local Rule 11-502	s. 1 of Local Rule 55-501	s. 108	n/a	n/a	n/a	s. 107
Transfer reports	n/a	s. 182 (2)	s. 117	n/a	s. 102	s. 116	s. 136	n/a	s. 109	n/a	n/a	n/a	s. 108 of Securities Act and s. 167 of Regulation 1015 (General)
Nominee reports	n/a	s. 183	s. 118	n/a	s. 103	s. 117	n/a	n/a	s. 110	n/a	n/a	n/a	s. 109 of Securities Act and s. 168 of Regulation 1015 (General)
<b>Take-Over Bids and Issuer Bids</b>													
Director's must make recommendation on bid	s. 99(1)(a)	s. 160	s. 100	s. 90	ss. 113 & 114	s. 105(2)	s. 124	s. 108	s. 92	s. 108	n/a	n/a	ss. 95 and 96

Provision	BC	AB	SK	MB	Qué	NS	NB	PEI	NL	YK	NWT	Nun	ON
<b>Investment Funds – Self Dealing</b>													
Investments of mutual funds	s. 121	s. 185	s. 120	n/a	s. 236 of Securities Regulation	s. 119	s. 137	n/a	n/a	n/a	n/a	n/a	s. 111
Indirect investment	s. 122	s. 186	s. 121	n/a	n/a	s. 120	s. 138	n/a	n/a	n/a	n/a	n/a	s. 112
Fees on investment for mutual fund	s. 124	s. 189	s. 124	n/a	n/a	s. 123	s. 141	n/a	n/a	n/a	n/a	n/a	s. 115
Report of mutual fund manager	s. 126	s. 191	s. 126	n/a	n/a	s. 125	s. 143	n/a	n/a	n/a	n/a	n/a	s. 117
Restrictions on transactions with responsible persons	s. 127	s. 192	s. 127	n/a	s. 236 of Securities Regulation	s. 126	s. 144	n/a	n/a	n/a	n/a	n/a	s. 118
<b>General</b>													
Confidentiality	s. 169	s. 221	s. 152	s. 149(q)	s. 296	s. 148	s. 198	s. 26	s. 140	s. 25	s. 44	s. 44	s. 140
Accounting principles, auditing standards and reporting requirements (other than in NI 52-107)	s. 3(3) of Securities Rules	n/a	n/a	n/a	ss. 116 and 121 of Securities Regulation	s. 3(4) of Reg.	n/a	n/a	n/a	n/a	n/a	n/a	s. 2(1) of Regulation 1015 (General)



## SCHEDULE B

### COMPANION POLICY 11-102CP *PASSPORT SYSTEM*

#### **PART 1 GENERAL**

- 1.1 Definitions
- 1.2 Additional definitions
- 1.3 Purpose
- 1.4 Language of documents – Québec

#### **PART 2 CONTINUOUS DISCLOSURE**

- 2.1 Exemption from non-harmonized continuous disclosure provisions

#### **PART 3 PROSPECTUS**

- 3.1 Principal regulator for prospectus
- 3.2 Discretionary change in principal regulator for prospectus
- 3.3 Deemed issuance of receipt
- 3.4 Exemption from non-harmonized prospectus provisions
- 3.5 Transition for section 3.3

#### **PART 4 DISCRETIONARY EXEMPTIONS**

- 4.1 Application
- 4.2 Principal regulator for discretionary exemption applications
- 4.3 Discretionary change of principal regulator for discretionary exemption applications
- 4.4 Passport application of discretionary exemptions
- 4.5 Availability of passport for discretionary exemptions applied for before March 17, 2008

#### **PART 5 EFFECTIVE DATE**

- 5.1 Effective date

#### **Appendix A**

CD requirements under MI 11-101

**COMPANION POLICY 11-102CP  
PASSPORT SYSTEM**

**PART 1 GENERAL**

**1.1 Definitions**

In this policy,

“MI 11-101” means Multilateral Instrument 11-101 *Principal Regulator System*;

“non-principal jurisdiction” means, for a person or company, a jurisdiction other than the principal jurisdiction;

“NP 11-202” means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*; and

“NP 11-203” means National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*.

**1.2 Additional definitions**

Terms used in this policy and that are defined in NP 11-202 and NP 11-203 have the same meanings as in those national policies.

**1.3 Purpose**

- (1) **General** – Multilateral Instrument 11-102 *Passport System* (the Instrument) and this policy implement part of the passport system contemplated by the Provincial/Territorial Memorandum of Understanding Regarding Securities Regulation.

The Instrument gives each market participant a single window of access to the capital markets in multiple jurisdictions. It enables a person or company to deal only with its principal regulator to

- get deemed receipts in other jurisdictions (except Ontario) for a preliminary prospectus and prospectus, and
- obtain automatic exemptions in other jurisdictions (except Ontario) equivalent to most types of discretionary exemptions granted by the principal regulator.

- (2) **Ontario** – The Ontario Securities Commission (OSC) has not adopted the Instrument, but the Instrument provides that the OSC can be a principal regulator for purposes of a prospectus filing under Part 3 or a discretionary exemption application under Part 4. Consequently, when the OSC issues a receipt for a prospectus to an issuer whose principal jurisdiction is Ontario, a deemed receipt is automatically issued in each passport jurisdiction where the market participant filed the prospectus under the Instrument. Similarly, a market participant whose principal jurisdiction is Ontario obtains an automatic exemption from the equivalent provision of securities legislation of each passport jurisdiction for which the person who makes the application gives the notice described in section 4.7(1)(c) of the Instrument if the OSC grants the discretionary exemption.

- (3) **Process** – NP 11-202 and NP 11-203 set out the processes for a market participant in any jurisdiction to obtain a deemed prospectus receipt or an automatic exemption in a passport jurisdiction. These policies also set out processes for a market participant in a passport jurisdiction to get a prospectus receipt or a discretionary exemption from the OSC.

NP 11-203 also sets out the process for seeking exemptive relief in multiple jurisdictions that falls outside the scope of the Instrument. NP 11-203 applies to a broad range of exemptive relief applications, not just to discretionary exemption applications from the provisions listed in Appendix D of the Instrument. For example, NP 11-203 applies to an application to be designated a reporting issuer, mutual fund, non-redeemable investment fund or insider. It also applies to an application for a discretionary exemption from a provision not listed in Appendix D of the Instrument.

Please refer to NP 11-202 and NP 11-203 for more details on these processes.

- (4) **Interpretation of the Instrument** – As with all national or multilateral instruments, you should read the Instrument from the perspective of the local jurisdiction in which you want to obtain a deemed prospectus receipt or an automatic exemption. For example, if the Instrument does not specify where you file a document, it means that you must file it in the local jurisdiction.

To get a deemed receipt for a prospectus in the local jurisdiction, a filer must file the prospectus in the jurisdiction through SEDAR. Similarly, to get an automatic exemption based on a discretionary exemption granted in the principal jurisdiction, a filer must give notice under section 4.7(1)(c) of the Instrument to the securities regulatory authority or regulator in the local jurisdiction. Under section 4.7(2) of the Instrument, a filer can satisfy the latter requirement by giving notice to the principal regulator instead of the securities regulatory authority or regulator in the local jurisdiction.

- (5) **Operation of law** – The provisions of the Instrument on prospectus receipt and discretionary exemptions produce automatic legal outcomes in the local jurisdiction that result from a decision made by the principal regulator. The effect is to make the law of the local jurisdiction apply to a market participant as if the non-principal regulator had made the same decision as the principal regulator.
- (6) **Harmonized laws and their interpretation** – Most of the continuous disclosure and prospectus requirements are in rules or regulations, commonly referred to as ‘national instruments’. The securities regulatory authorities and regulators intend to interpret and apply these requirements in a consistent way, and have put in place practices and procedures so this will be the case.
- (7) **Exemptions from non-harmonized requirements** – The Instrument contains exemptions from most non-harmonized continuous disclosure requirements and prospectus requirements that exist in a local jurisdiction. These exemptions apply in all jurisdictions, including the principal jurisdiction, for issuers that are reporting issuers, or file a prospectus, in multiple jurisdictions.
- (8) **Discretionary exemptions** – The Instrument provides an automatic exemption from an equivalent provision of securities legislation in the local jurisdiction if the principal regulator grants the discretionary exemption and the filer gives the required notice.

#### 1.4 Language of documents – Québec

The Instrument does not relieve issuers filing in Québec from the linguistic obligations prescribed by Québec law, including the specific obligations in the Québec *Securities Act* (e.g. section 40.1). For example, where a prospectus is filed in several jurisdictions including Québec, the prospectus must be in French or in French and English.

## PART 2 CONTINUOUS DISCLOSURE

### 2.1 Exemption from non-harmonized continuous disclosure provisions

Section 2.1 of the Instrument exempts a reporting issuer from the non-harmonized continuous disclosure provisions listed in Appendix A of the Instrument opposite the name of the local jurisdiction if the issuer is reporting in other jurisdictions. Consequently, the provisions that apply to the reporting issuer in the local jurisdiction are the harmonized continuous disclosure provisions and any non-harmonized continuous disclosure provisions from which the securities regulatory authority or regulator in the local jurisdiction has not provided an exemption under section 2.1 of the Instrument.

An issuer must continue to pay the fees related to the filing of any continuous disclosure document in each jurisdiction where it is a reporting issuer.

Although a reporting issuer does not have to identify a principal regulator to benefit from the exemption in section 2.1 of the Instrument, the securities regulatory authorities or regulators will continue to assign each reporting issuer a principal regulator for continuous disclosure review purposes under CSA Notice 51-312 *Harmonized Continuous Disclosure Review Program*. The principal regulator will deal with the reporting issuer on continuous disclosure related matters and would generally take action in the event of non-compliance.

## PART 3 PROSPECTUS

### 3.1 Principal regulator for prospectus

For a prospectus filing subject to Part 3 of the Instrument, the principal regulator is the principal regulator identified under section 3.1 of the Instrument. Under this section, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 3.1(1) of the Instrument specifies the following jurisdictions for purposes of that section: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 3.4 of NP 11-202 gives guidance on how to identify the principal regulator for a prospectus filing subject to Part 3 of the Instrument.

### **3.2 Discretionary change in principal regulator for prospectus**

Section 3.2 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a prospectus filing subject to Part 3 of the Instrument on its own motion or on application. Section 3.5 of NP 11-202 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a prospectus filing subject to Part 3 of the Instrument.

### **3.3 Deemed issuance of receipt**

Section 3.3 of the Instrument deems a receipt to be issued for a preliminary prospectus or prospectus in the local jurisdiction if certain conditions are met. A deemed receipt in the local jurisdiction has the same legal effect as a receipt issued in the principal jurisdiction.

To rely on section 3.3 of the Instrument in the local jurisdiction, a filer must file on SEDAR the preliminary prospectus or the pro forma prospectus, and the prospectus, in both the local jurisdiction and the principal jurisdiction. When filing, the filer must also indicate that it is filing the preliminary prospectus or pro forma prospectus under the Instrument. Under the law of the local jurisdiction, these filings trigger the obligation to file supporting documents (e.g., consents and material contracts).

To rely on section 3.3 of the Instrument in the local jurisdiction, the filer must also pay the fees required for the preliminary prospectus, pro forma prospectus or prospectus in the local jurisdiction. The effect of section 3.3 of the Instrument is that the law of the local jurisdiction, including the obligation to pay fees, applies to the filing of a preliminary prospectus, pro forma prospectus or prospectus in the jurisdiction. Section 3.4 of the Instrument does not exempt a filer from the obligation to pay fees in the local jurisdiction.

NP 11-202 sets out the process for making a waiver application for a prospectus filing subject to Part 3 of the Instrument.

If the principal regulator refuses to issue a receipt for a prospectus, it will notify the filer and the non-principal regulators by sending a refusal letter through SEDAR. In these circumstances, the Instrument will no longer apply to the filing and the filer may deal separately with the local securities regulatory authority or regulator in any non-principal jurisdiction in which the prospectus was filed to determine if the local securities regulatory authority or regulator would issue a local receipt.

### **3.4 Exemption from non-harmonized prospectus provisions**

Section 3.4 of the Instrument provides an exemption from the non-harmonized prospectus provisions listed in Appendix C of the Instrument opposite the name of the local jurisdiction. The exemption is available if a person or company files a preliminary prospectus, pro forma prospectus or prospectus under a provision set out in Appendix B to the Instrument and under a national prospectus instrument in multiple jurisdictions, including its principal jurisdiction. Consequently, the provisions that apply in the local jurisdiction where a preliminary prospectus, pro forma prospectus or prospectus is filed are the harmonized prospectus provisions and any non-harmonized prospectus provisions from which the securities regulatory authority or regulator in the local jurisdiction has not provided an exemption under section 3.4 of the Instrument.

### **3.5 Transition for section 3.3**

Section 3.3 of the Instrument applies to a preliminary prospectus or pro forma prospectus and their related prospectus, and to an amendment to a prospectus, filed on or after March 17, 2008.

Section 3.5(1) of the Instrument removes the deemed receipt that would otherwise be available in the local jurisdiction under section 3.3 of the Instrument if a preliminary prospectus amendment is filed after March 17, 2008 and the related preliminary prospectus was filed before March 17, 2008.

Section 3.5(2) provides an exemption from the requirement in section 3.3(2)(b) of the Instrument to indicate on SEDAR, at the time of filing the preliminary prospectus or pro forma prospectus, that the preliminary prospectus or pro forma prospectus is filed under Instrument. This means there is a deemed receipt in the local jurisdiction for a prospectus amendment if the related preliminary prospectus or pro forma prospectus was filed before March 17, 2008 and the filer indicated on SEDAR that it filed the amendment under the Instrument at the time of filing the amendment.

The exemption from non-harmonized prospectus requirements in section 3.4 of the Instrument is available in the local jurisdiction for a prospectus filed on or after March 17, 2008 even though the related preliminary prospectus or pro forma prospectus was filed in the local jurisdiction before that date and there is no deemed receipt for the prospectus in the local jurisdiction.

## **PART 4 DISCRETIONARY EXEMPTIONS**

### **4.1 Application**

Part 4 of the Instrument applies to an application for discretionary exemption from a provision listed in Appendix D of the Instrument made in multiple jurisdictions. Part 4 does not apply to a discretionary exemption application from a provision not listed in Appendix D of the Instrument or to other types of exemptive relief applications. For example, Part 4 does not apply to an application to designate a person to be a reporting issuer, mutual fund, non-redeemable investment fund or insider.

### **4.2 Principal regulator for discretionary exemption applications**

For purposes of a discretionary exemption application under Part 4 of the Instrument, the principal regulator is the principal regulator identified under sections 4.1 to 4.5 of the Instrument. Under these sections, the principal regulator must be the securities regulatory authority or regulator in a specified jurisdiction. Section 4.1 of the Instrument specifies the following jurisdictions for purposes of Part 4: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

Section 3.6 of NP 11-203 gives guidance on how to identify the principal regulator for a discretionary exemption application under Part 4 of the Instrument.

### **4.3 Discretionary change of principal regulator for discretionary exemption applications**

Section 4.6 of the Instrument permits the securities regulatory authority or regulator to change the principal regulator for a discretionary exemption application under Part 4 of the Instrument on its own motion or on application. Section 3.7 of NP 11-203 gives guidance on the process for, and considerations leading to, a discretionary change in principal regulator for a discretionary exemption application under Part 4 of the Instrument.

### **4.4 Passport application of discretionary exemptions**

Section 4.7(1) of the Instrument exempts a person or company from an equivalent provision of securities legislation in the local jurisdiction if the principal regulator for the application grants the discretionary exemption, the filer gives the notice required under paragraph (c) of that section and other conditions are met. The equivalent provisions from which an automatic exemption is available under section 4.7(1) of the Instrument are set out in Appendix D of the Instrument.

A discretionary exemption under section 4.7(1) of the Instrument is available in the passport jurisdictions for which the filer gives the required notice when filing the application. However, the discretionary exemption can become available later in other passport jurisdictions if the circumstances warrant. For example, if a reporting issuer obtains a discretionary exemption from a national continuous disclosure requirement in its principal jurisdiction and an automatic exemption under section 4.7(1) in three non-principal jurisdictions in 2008 and the issuer becomes a reporting issuer in a fourth non-principal jurisdiction in 2009, the issuer could obtain an automatic exemption in the new jurisdiction. To obtain the automatic exemption in the new jurisdiction, the issuer would have to give the notice referred to in section 4.7(1)(c) of the Instrument in respect of that jurisdiction and meet the other condition of the exemption.

Under section 4.7(2) of the Instrument the filer may give the required notice to the principal regulator instead of the non-principal regulator.

A filer should identify in the application all the exemptions required and give notice for all the jurisdictions in which section 4.7(1) of the Instrument is intended to be relied upon. If an exemption is required in a non-principal jurisdiction when the filer files the application, but the filer does not give the required notice for that jurisdiction until after the principal regulator grants the exemption, the securities regulatory authority or regulator of the non-principal jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer may have an opportunity to be heard in that jurisdiction in appropriate circumstances.

Because, under the Instrument, a person or company files an application for a discretionary exemption only in the principal jurisdiction to obtain an automatic exemption in multiple jurisdictions, the filer is required to pay fees only in the principal jurisdiction.

NP 11-203 sets out the process for seeking exemptive relief in multiple jurisdictions, including the process for seeking a discretionary exemption under Part 4 of the Instrument.

#### 4.5 Availability of passport for discretionary exemptions applied for before March 17, 2008

Under section 4.8(1) of the Instrument, an exemption from the equivalent provision is automatically available in the local jurisdiction if

- an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of the Instrument,
- the securities regulatory authority or regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and
- certain other conditions are met.

These conditions include giving the notice required under section 4.8(1)(c). Section 4.8(2) permits the filer to give the required notice to the securities regulatory authority or regulator that would be the principal regulator for the application under Part 4 if an application were to be made under that Part at the time the notice is given, instead of to the non-principal regulator.

Under section 4.1, the specified jurisdictions are British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

A specified jurisdiction for purposes of section 4.8 of the Instrument is a principal jurisdiction under MI 11-101. Therefore, under section 4.8(1) of the Instrument, an exemption from the equivalent provision is automatically available in the local jurisdiction if

- an application was made before March 17, 2008 in the principal jurisdiction, as defined in MI 11-101, for an exemption from a CD requirement, as defined in that Instrument, which is now listed in Appendix D of the Instrument,
- the securities regulatory authority or regulator in the principal jurisdiction granted the exemption before March 17, 2008, and
- the other conditions of section 4.8(1) of the Instrument are met, including giving notice.

Section 4.8(3) of the Instrument provides an exemption from the notice requirement in section 4.8(1)(c) of the Instrument if, before March 17, 2008, the principal regulator under MI 11-101 granted the exemption and the reporting issuer filed the notice of principal regulator under section 2.2 or 2.3 of that Instrument.

The combined effect of sections 4.8(1) and 4.8(3) is to make the exemption from a CD requirement granted by the principal regulator under MI 11-101 automatically available in the local jurisdiction, even though the decision of the principal regulator under MI 11-101 does not refer to the local jurisdiction. To benefit from this, however, the reporting issuer must comply with the terms and conditions of the decision of the principal regulator under MI 11-101. Only exemptions granted from CD requirements that are now listed in Appendix D of the Instrument become available in the local jurisdiction in this way.

Appendix A of this policy lists the CD requirements from which a reporting issuer could get an exemption under section 3.2 of MI 11-101. Appendix D of the Instrument sets out the list of equivalent provisions.

### PART 5 EFFECTIVE DATE

#### 5.1 Effective date

The Instrument applies to continuous disclosure documents, prospectuses and discretionary exemption applications filed on or after March 17, 2008.

COMPANION POLICY 11-102CP  
PASSPORT SYSTEM

APPENDIX A

CD REQUIREMENTS UNDER MI 11-101

For ease of reference, this appendix reproduces the definition of CD requirements in MI 11-101 even though some references might no longer be relevant because sections were repealed after September 19, 2005 when MI 11-101 came into force.

**British Columbia:**

*Securities Act:* section 85 and 117  
*Securities Rules:* section 144 (except as it relates to fees), 145 (except as it relates to fees, 152 and 153 sections 2, 3 and 189 as they relate to a filing under another CD requirement, as defined in MI 11-101

**Alberta:**

*Securities Act:* sections 146, 149 (except as it relates to fees), 150, 152 and 157.1  
*Securities Commission Rules (General):* except as it relates to a prospectus, section 143 – 169, 196 and 197

**Saskatchewan:**

*The Securities Act, 1988:* section 84, 86 – 88, 90, 94 and 95  
*The Securities Regulations:* section 117 – 138.1 and 175 as it relates to a filing under another CD requirement, as defined under MI 11-101

**Manitoba:**

*Securities Act:* sections 101(1), 102(1), 104, 106(3), 119, 120 (except as it relates to fees) and 121– 130  
*Securities Regulation:* sections 38 – 40 and 80 – 87

**Québec:**

*Securities Act:* sections 73 excluding the filing requirement of a statement of material change, 75 excluding the filing requirement, 76, 77 excluding the filing requirement, 78, 80 – 82.1, 83.1, 87, 105 excluding the filing requirement, 106 and 107 excluding the filing requirement  
*Securities Regulation:* sections 115.1 – 119, 119.4, 120 – 138 and 141 – 161  
*Regulations:* No. 14, No. 48, Q-11, Q-17 (Title IV) and 62 – 102

A document filed with or delivered to the Autorité des marchés financiers, delivered to securityholder in Québec or disseminated in Québec under section 3.2 of the Instrument, is deemed, for the purposes of securities legislation in Québec, to be a document filed, delivered or disseminated under Chapter II of Title III or section 84 of the Securities Act (Québec).

**New Brunswick:**

*Securities Act:* sections 89(1) – (4), 90, 91, 100 and 101

**Nova Scotia:**

*Securities Act:* section 81, 83, 84 and 91  
*General Securities Rules:* sections 9, 140(2), 140(3) and 141

**Newfoundland and Labrador:**

*Securities Act:* except as they relate to fees, sections 76, 78 – 80, 82, 86 and 87  
*Securities Regulations:* sections 4 – 14 and 71 – 80

**Yukon:**

*Securities Act:* section 22(5) except as it relates to filing a new or amended prospectus

**All jurisdictions:**

- (a) National Instrument 43-101 *Standards of Disclosure for Mineral Projects*, except as it relates to a prospectus,
- (b) National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, except as it relates to a prospectus,
- (c) National Instrument 51-102 *Continuous Disclosure Obligations*,
- (d) National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* as it applies to a document filed under National Instrument 51-102 *Continuous Disclosure Obligations*,
- (e) National Instrument 52-108 *Auditor Oversight*,
- (f) National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*,
- (g) National Instrument 52-110 *Audit Committees*, except in British Columbia
- (h) BC Instrument 52-509 *Audit Committees*, only in British Columbia
- (i) National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*,
- (j) National Instrument 58-101 *Disclosure of Corporate Governance Practices*,
- (k) section 8.5 of National Instrument 81-104 *Commodity Pools*, and
- (l) National Instrument 81-106 *Investment Fund Continuous Disclosure*.



## SCHEDULE C

### AMENDMENTS TO NATIONAL INSTRUMENT 14-101 *DEFINITIONS*

- 1** *This Instrument amends National Instrument 14-101 Definitions.*
- 2** *Section 1.1(3) is amended by repealing the definition of “person or company” and substituting the following:*
- “person or company”, for the purpose of a national instrument or multilateral instrument, means,
- (a) in British Columbia, a “person” as defined in section 1(1) of the *Securities Act* (British Columbia);
  - (b) in New Brunswick, a “person” as defined in section 1(1) of the *Securities Act* (New Brunswick);
  - (c) in Prince Edward Island, a “person” as defined in section 1 of the *Securities Act* (Prince Edward Island);
  - (d) in Québec, a “person” as defined in section 5.1 of the *Securities Act* (Québec); and
  - (e) in Yukon Territory, a “person” as defined in section 1 of the *Securities Act* (Yukon Territory).
- 3** *Appendix B is amended,*
- (a) *in the text opposite “New Brunswick”, by striking out “Security Frauds Prevention Act” and substituting “Securities Act”, and*
  - (b) *by repealing the text opposite “Québec” and substituting the following:*
- Securities Act and the regulations under that Act, An Act respecting the Autorité des marchés financiers and the blanket rulings and orders issued by the securities regulatory authority.*
- 4** *Appendix C is amended*
- (a) *by repealing the text opposite “New Brunswick” and substituting “New Brunswick Securities Commission”,*
  - (b) *by repealing the text opposite “Prince Edward Island” and substituting “Superintendent of Securities, Prince Edward Island”,*
  - (c) *by repealing the text opposite “Québec” and substituting “Autorité des marchés financiers or, where applicable, the Bureau de décision et de révision en valeurs mobilières”, and*
  - (d) *by repealing the text opposite “Yukon Territory” and substituting “Superintendent of Securities, Yukon Territory”.*
- 5** *Appendix D is amended*
- (a) *by repealing the text opposite “New Brunswick” and substituting “Executive Director as defined in section 1 of the Securities Act (New Brunswick).”,*
  - (b) *by repealing the text opposite “Prince Edward Island” and substituting “Superintendent, as defined in section 1 of the Securities Act (Prince Edward Island).”,*
  - (c) *by repealing the text opposite “Québec” and substituting “Autorité des marchés financiers.”, and*
  - (d) *by repealing the text opposite “Yukon Territory” and substituting “Superintendent, as defined in section 1 of the Securities Act (Yukon Territory).”.*
- 6** *This Instrument comes into force on March 17, 2008.*

## SCHEDULE D

### AMENDMENTS

#### TO

#### NATIONAL INSTRUMENT 58-101 *DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES*

- 1 *This Instrument amends National Instrument 58-101 Disclosure of Corporate Governance Practices.*
- 2 *Section 1.1 is amended*
  - (a) *by repealing the definition of “MI 52-110”,*
  - (b) *by adding the following definition:*

*“NI 52-110” means National Instrument 52-110 *Audit Committees*;, and*
  - (c) *in the definition of “subsidiary entity” by striking out “MI 52-110” and substituting “NI 52-110”.*
- 3 *Section 1.2 (1) is amended by*
  - (a) *striking out “In a jurisdiction other than British Columbia, a director” and substituting “For the purposes of this Instrument, a director”, and*
  - (b) *striking out “MI 52-110” and substituting “NI 52-110”.*
- 4 *Section 1.2 (2) is repealed.*
- 5 *This Instrument comes into force on March 17, 2008.*

## SCHEDULE E

### AMENDMENTS TO NATIONAL INSTRUMENT 81-104 *COMMODITY POOLS*

- 1 *This Instrument amends National Instrument 81-104 Commodity Pools.*
- 2 *Sections 3.4 and 4.2 are repealed.*
- 3 *This Instrument comes into force on March 17, 2008.*

### AMENDMENTS TO COMPANION POLICY 81-104CP *COMMODITY POOLS*

- 1 *This amends Companion Policy 81-104 CP Commodity Pools.*
- 2 *Section 2.1(2).4 is amended by*
  - (a) *striking out* “in all jurisdictions, other than British Columbia. Dealers registered to sell securities (including mutual funds) in British Columbia should look to local British Columbia securities regulations for guidance.”,  
*and*
  - (b) *adding a period after the last reference to* “commodity pools”.
- 3 *These amendments come into effect on March 17, 2008.*

## SCHEDULE F

### AMENDMENTS TO MULTILATERAL INSTRUMENT 11-101 *PRINCIPAL REGULATOR SYSTEM*

1 *This Instrument amends Multilateral Instrument 11-101 Principal Regulator System.*

2 *Section 1.1 is amended by repealing the following definitions:*

“audit committee rule”,  
“BCI 52-509”,  
“CD requirement”,  
“commodity pool”,  
“investment fund”,  
“investment fund manager”,  
“local prospectus-related requirements”,  
“long form rule”,  
“MI 52-110”,  
“mutual fund restricted individual”,  
“national prospectus rules”,  
“NI 33-105”,  
“NI 52-107”,  
“NI 58-101”,  
“NI 81-101”,  
“NI 81-102”,  
“NI 81-104”,  
“NI 81-106”,  
“participating dealer”,  
“preliminary prospectus”,  
“principal distributor”,  
“prospectus”, and  
“seed capital requirements”.

3 *Sections 2.1, 2.2, 2.3 and 2.4 are repealed.*

4 *Section 2.8 is amended by striking out “sections 2.1, 2.4 and 2.5” and substituting “section 2.5”.*

5 *Parts 3 and 4 are repealed.*

6 *Section 5.8 is repealed.*

- 7 **Section 5.9 is amended by striking out “section 5.3, 5.4, 5.5, 5.6 or 5.8” and substituting “section 5.3, 5.4, 5.5 or 5.6”.**
- 8 **Appendices A, B, C and D are repealed.**
- 9 **Form 11-101F1 Notice of Principal Regulator under Multilateral Instrument 11-101 is amended**
- (a) **in Item 2 by striking out “SEDAR profile number (if applicable):”;**
  - (b) **by repealing the Instructions after Item 2, and**
  - (c) **by repealing Item 5.**
- 10 **This Instrument comes into force on March 17, 2008.**

**AMENDMENTS  
TO  
COMPANION POLICY 11-101CP PRINCIPAL REGULATOR SYSTEM**

- 1 **Companion Policy 11-101CP Principal Regulator System is amended by**

- (a) **repealing section 1.1(1) and substituting;**

The Instrument provides an exemption from the registration requirement for a firm or individual to continue dealing with a client that moves to a different jurisdiction, and with family members of that client. As long as the registrant is registered in its principal jurisdiction and has a minimal number of clients and minimal amount of assets under management in the other jurisdiction, the registrant will not have to become registered in the other jurisdiction. Because Ontario has not adopted the Instrument, the exemption is not available to a registrant in another jurisdiction whose clients move to Ontario. Under the Instrument, the exemption is not available to a firm with a head office in Ontario or to an individual with a working office in Ontario.

- (b) **repealing sections 1.1(2), 1.1(3), 1.2, 1.3, 1.4, 2.1, 2.2(1), 2.3(1), and 2.3(3);**
- (c) **striking out in section 2.3(5) “and section 3.5 of NP 43-201”;**
- (d) **repealing Parts 3 and 4;**
- (e) **repealing section 5.3; and**
- (f) **repealing Appendix A.**

- 2 **These amendments come into effect on March 17, 2008.**

## SCHEDULE G

### AMENDMENTS TO MULTILATERAL INSTRUMENT 52-110 AUDIT COMMITTEES

- 1 *This Instrument amends Multilateral Instrument 52-110 Audit Committees.*
- 2 *The title is amended by striking out "Multilateral" and substituting "National".*
- 3 *Section 1.1 is amended in the definition of "MD&A" by striking out "National Instrument 51-102" and substituting the following "NI 51-102".*
- 4 *This Instrument comes into force on March 17, 2008.*

### AMENDMENTS TO COMPANION POLICY 52-110CP TO MULTILATERAL INSTRUMENT 52-110 AUDIT COMMITTEES

- 1 *This amends Companion Policy 52-110CP to Multilateral Instrument 52-110 Audit Committees.*
- 2 *The title is amended by striking out "Multilateral" and substituting "National".*
- 3 *Section 1.1 is amended by*
  - (a) *striking out "Multilateral" and substituting "National", and*
  - (b) *striking out "Nova Scotia and Newfoundland and Labrador," and substituting "Nova Scotia, Newfoundland and Labrador and British Columbia,".*
- 4 *These amendments come into effect on March 17, 2008.*

## SCHEDULE H

### NATIONAL POLICY 11-202 *PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS*

#### **PART 1 APPLICATION**

- 1.1 Scope and application

#### **PART 2 DEFINITIONS**

- 2.1 Definitions
- 2.2 Further definitions

#### **PART 3 OVERVIEW AND PRINCIPAL REGULATOR**

- 3.1 Overview
- 3.2 Passport Prospectus
- 3.3 Dual Prospectus
- 3.4 Principal Regulator
- 3.5 Discretionary change in principal regulator

#### **PART 4 FILING MATERIALS**

- 4.1 Election to file under this policy, identification of principal regulator
- 4.2 Filing for distribution to purchasers only in jurisdictions outside principal jurisdiction
- 4.3 Blacklined document
- 4.4 Seasoned Prospectuses

#### **PART 5 REVIEW OF MATERIALS**

- 5.1 General
- 5.2 Passport prospectus
- 5.3 Dual prospectus
- 5.4 Review period for preliminary long form prospectuses and pro forma prospectuses
- 5.5 Review period for preliminary short form prospectuses and preliminary shelf prospectuses
- 5.6 Novel and substantive issue
- 5.7 Form of response

#### **PART 6 OPTING OUT OF A DUAL REVIEW**

- 6.1 Opting Out

#### **PART 7 RECEIPTS**

- 7.1 Effect of prospectus receipt
- 7.2 Conditions to issuance of preliminary receipt
- 7.3 Conditions to issuance of final receipt for a prospectus
- 7.4 Translations

#### **PART 8 PRE-FILINGS AND WAIVER APPLICATIONS**

- 8.1 General
- 8.2 Procedure
- 8.3 Information to be provided with related materials
- 8.4 Effect of prospectus receipt when waiver application submitted
- 8.5 Resolution of pre-filing

#### **PART 9 APPLICATIONS**

- 9.1 Applications in multiple jurisdictions
- 9.2 Timing of application
- 9.3 Additional information to be provided

#### **PART 10 AMENDMENTS**

- 10.1 Conditions to issuance of receipt for preliminary prospectus amendments
- 10.2 Receipt for preliminary prospectus amendments
- 10.3 Review period for preliminary prospectus amendments
- 10.4 Review period for prospectus amendments
- 10.5 Conditions to issuance of prospectus amendment receipt
- 10.6 Prospectus amendment receipt

**PART 11 HOLIDAYS**

11.1 Holidays

**PART 12 EFFECTIVE DATE AND TRANSITION**

12.1 Effective date – This policy comes into effect on March 17, 2008.

12.2 Prospectus filed before March 17, 2008 – The process set out in National Policy 43-201 Mutual Reliance Review System for Prospectuses will continue to apply to

**Annex A**

Examples of Pre-Filings and Waiver Applications Dealt With under Part 8 of National Policy 11-202



**NATIONAL POLICY 11-202**  
**PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS**

**PART 1 APPLICATION**

**1.1 Scope and application** – This policy describes procedures for the filing and review of a preliminary prospectus, prospectus and related materials in more than one Canadian jurisdiction.

**PART 2 DEFINITIONS**

**2.1 Definitions** – In this policy,

“CP 11-102” means Companion Policy 11-102 *CP Passport System* to MI 11-102;

“dual prospectus” means a prospectus described in section 3.3 of this policy;

“dual review” means the review under this policy of a dual prospectus;

“filer” means

- (a) a person or company filing a prospectus, or
- (b) an agent of a person or company referred to in paragraph (a);

“long form prospectus” includes a simplified prospectus and annual information form for a mutual fund;

“materials” mean the documents required under a national prospectus instrument;

“MI 11-102” means Multilateral Instrument 11-102 *Passport System*;

“NI 13-101” means National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)*;

“NP 11-203” means National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*;

“OSC” means the regulator in Ontario;

“passport jurisdiction” means the jurisdiction of a passport regulator;

“passport prospectus” means a prospectus described in section 3.2 of this policy;

“passport regulator” means a regulator that has adopted MI 11-102;

“pre-filing” means a consultation with the principal regulator for a prospectus filing, initiated before the filing of materials, regarding the interpretation of securities legislation or securities directions or their application to a particular offering or proposed offering;

“regulator” means a securities regulatory authority or regulator;

“shelf prospectus” means a prospectus filed under National Instrument 44-102 *Shelf Distributions*;

“short form prospectus” means a prospectus filed under National Instrument 44-101 *Short Form Prospectus Distributions*; and

“waiver application” means a request for an exemption from securities legislation, if the exemption would be evidenced by the issuance of a receipt under this policy.

**2.2 Further definitions** – Terms used in this policy and that are defined in MI 11-102, NI 13-101, or National Instrument 14-101 *Definitions* have the same meanings as in those instruments.

### PART 3 OVERVIEW AND PRINCIPAL REGULATOR

**3.1 Overview** – This policy deals with prospectuses filed in multiple jurisdictions in the following circumstances:

- (a) The principal regulator is passport regulator and the prospectus is not filed in Ontario. This is a “passport prospectus.”
- (b) The principal regulator is the OSC and the prospectus is also filed in a passport jurisdiction. This is also a “passport prospectus.”
- (c) The principal regulator is a passport regulator and the prospectus is also filed in Ontario. This is a “dual prospectus.”

### 3.2 Passport Prospectus

- (1) If the principal regulator is a passport regulator and the prospectus is not filed in Ontario, only the principal regulator will review the prospectus. Under MI 11-102, the issuance of a receipt by the principal regulator will trigger a deemed receipt in each other passport jurisdiction where the prospectus is filed.
- (2) If the principal regulator is the OSC and the prospectus is also filed in a passport jurisdiction, only the OSC will review the prospectus. Under MI 11-102, the issuance of the OSC receipt will trigger a deemed receipt in each passport jurisdiction where the prospectus is filed.

**3.3 Dual Prospectus** – If the principal regulator is a passport regulator and the prospectus is also filed in Ontario, the principal regulator will review the prospectus, and the OSC, as a non-principal regulator, will coordinate its review with the principal regulator. The receipt of the principal regulator will trigger a deemed receipt in each other passport jurisdiction where the prospectus is filed and will evidence the receipt of the OSC, if the OSC has made the same decision as the principal regulator.

### 3.4 Principal Regulator

- (1) For purposes of a prospectus filing under this policy, the principal regulator is identified in the same manner as in section 3.1 of MI 11-102. This section summarizes section 3.1 of MI 11-102 and provides guidance for identifying the principal regulator for a prospectus filing. The same guidance also applies to a related pre-filing.
- (2) For purposes of a waiver application related to a prospectus filing under this policy, the principal regulator is identified in the same manner as in sections 4.1 to 4.5 of MI 11-102. A filer should refer to section 3.6 of NP 11-203 for guidance on how to identify the principal regulator for a waiver application related to a prospectus filing under this policy.
- (3) In most circumstances, the principal regulator for a waiver application and the principal regulator for the related prospectus filing will be the same. If the principal regulator is not the same, the regulators may initiate a discretionary change of principal regulator under section 3.5 of this policy. Alternatively, the filer may apply for a discretionary change of principal regulator under that section.
- (4) The principal regulator for a prospectus filing under this policy is the regulator of the jurisdiction in which
  - (a) the issuer’s head office is located, if the issuer is not an investment fund, or
  - (b) the investment fund manager’s head office is located, if the issuer is an investment fund.
- (5) If the regulator identified under subsection (4) is not in a specified jurisdiction, the principal regulator is the regulator in the specified jurisdiction with which the issuer, or in the case of an investment fund, the investment fund manager, has the most significant connection.
- (6) For purposes of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.
- (7) The factors an issuer, or in the case of an investment fund, the investment fund manager, should consider in identifying the principal regulator based on its most significant connection are, in order of influential weight:
  - (a) location of management;
  - (b) location of assets and operations;

- (c) location of trading market or quotation system in Canada;
- (d) location of securities holders, if the securities are not traded or quoted on a trading market or quotation system in Canada;
- (e) location of underwriter;
- (f) location of legal counsel; and
- (g) location of transfer agent.

The connecting factors in (e) to (g) are not relevant for a Canadian issuer, or Canadian investment fund manager, because it will have a significant connection to a specified jurisdiction based on the connecting factors in (a) to (d). Regulators will generally object to a Canadian issuer, or Canadian investment fund manager, identifying a principal regulator based on the factors in (e) to (g).

- (8) A filer should refer to section 3.6 of NP 11-203 for additional guidance if the filer
  - (a) is seeking a waiver application exemption but does not seek it from the regulator that would normally be the principal regulator for the waiver application, or
  - (b) is seeking more than one exemption and does not seek all of the exemptions from the regulator that would normally be the principal regulator for the waiver application.

### 3.5 Discretionary change in principal regulator

- (1) If the principal regulator identified under section 3.4 of this policy thinks that it is not the appropriate principal regulator, it will first consult with the filer and the appropriate regulator and then give the filer a written notice of the new principal regulator and the reasons for the change. The regulator specified in the notice will be the principal regulator as of the later of the date the filer receives the notice and the effective date specified in the notice, if any.
- (2) A filer may request a discretionary change of principal regulator for a prospectus filing if the filer believes that the principal regulator identified under section 3.4 of this policy is not the appropriate principal regulator.
- (3) When a filer requests a discretionary change in principal regulator under subsection (2), the principal regulator will consult with the appropriate regulator.
- (4) Regulators do not anticipate changing a principal regulator except in exceptional circumstances and will give a written notice when approving a request.
- (5) A filer that requests a discretionary change of principal regulator under subsection (2) should do so at least 30 days before filing the related materials. If the filer submits the request at least 30 days before filing the related materials, the regulators will use their best efforts to resolve the request within 30 days of receiving it. If the request is not resolved when the filer files the related materials, the principal regulator determined under section 3.4 of this policy will be the principal regulator for the prospectus filing. If the regulators subsequently agree to the change, they will give the filer notice and the change of principal regulator will apply to the filer's future prospectus filings.
- (6) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change.
- (7) The guidance in this section also applies to a pre-filing.
- (8) A filer should refer to section 3.7 of NP 11-203 for guidance on a discretionary change of principal regulator for a waiver application related to a prospectus filing under this policy.

## PART 4 FILING MATERIALS

**4.1 Election to file under this policy, identification of principal regulator and payment of fees** – The filer should indicate in its electronic filing on SEDAR the principal regulator for the prospectus offering and that it is filing materials under this policy. If the principal regulator is not in the jurisdiction of the issuer's head office (or, in the case of an investment fund, the jurisdiction of the investment fund manager's head office), the filer should also indicate the connecting factor used to identify the principal regulator. If the filer files a prospectus in paper format under NI 13-101, the filer should include this information in the

cover letter for the prospectus. In all cases, the filer should pay the required fees in each jurisdiction in which it files the prospectus.

**4.2 Filing for distribution to purchasers only in jurisdictions outside principal jurisdiction** – If a filer proposes to distribute its securities by prospectus only to purchasers in jurisdictions other than the jurisdiction of its principal regulator, the filer should file the materials with, and pay the required fees to, the principal regulator. The principal regulator will review the materials of the filer.

**4.3 Blacklined document** – A filer should file on SEDAR, as much in advance of filing final materials as possible, a draft final prospectus (the French language version in Québec), blacklined against the preliminary prospectus to show all proposed changes. A filer should also file with the final materials a copy of the final prospectus blacklined against the preliminary prospectus to show all changes made.

**4.4 Seasoned Prospectuses** – If a pro forma or preliminary prospectus is filed within two years of the date that a final receipt was issued for a prospectus of the same issuer, a filer (other than a filer that files under National Instrument 81-101 *Mutual Fund Prospectus Disclosure*) may identify the pro forma or preliminary prospectus as a seasoned prospectus. When filing a seasoned prospectus, the filer should also file

- (a) a copy of the seasoned prospectus blacklined against the preceding prospectus of the filer to show all changes made, and
- (b) a certificate certifying that the blacklined prospectus indicates all differences between the content of the seasoned prospectus and that of the filer's previous prospectus.

## PART 5 REVIEW OF MATERIALS

**5.1 General** – The principal regulator will review the materials in accordance with its securities legislation and securities directions and based on its review procedures, analysis and precedents.

**5.2 Passport prospectus** – The filer will deal only with the principal regulator, who will provide comments to, and receive responses from, the filer on the materials.

### 5.3 Dual prospectus

- (1) The OSC will also review the materials and will advise the principal regulator of any concerns relating to the materials that, if left unresolved, would cause the OSC to opt out of the dual review.
- (2) The filer will deal only with the principal regulator, who will provide comments to, and receive responses from, the filer and will issue the prospectus receipt if the relevant conditions are satisfied. However, in exceptional circumstances, the principal regulator may refer the filer to the OSC.

### 5.4 Review period for preliminary long form prospectuses and pro forma prospectuses

- (1) The principal regulator will use its best efforts to review the materials relating to a preliminary long form prospectus or pro forma prospectus and provide a first comment letter within 10 working days of the date of the preliminary receipt or of receiving the pro forma prospectus and related materials in acceptable form. The principal regulator may provide further comments as a result of the filer's responses or the continuing review of the materials.
- (2) In the case of a dual prospectus, the OSC will, within five working days of the date of the preliminary receipt or of receiving the pro forma prospectus and related materials in acceptable form, use its best efforts to:
  - (a) advise the principal regulator of any concerns with the materials that, if left unresolved, would cause the OSC to opt out of the dual review; or
  - (b) indicate on SEDAR that it is clear to receive final materials.

### 5.5 Review period for preliminary short form prospectuses and preliminary shelf prospectuses

- (1) The principal regulator will use its best efforts to review the materials relating to a preliminary short form prospectus or preliminary shelf prospectus and provide a first comment letter within three working days of the date of the preliminary receipt. The principal regulator may provide further comments as a result of the filer's responses or the continuing review of the materials.

- (2) In the case of a dual prospectus, the OSC will, within two working days of the date of the preliminary receipt, use its best efforts to:
  - (a) advise the principal regulator of any concerns with the materials that, if left unresolved, would cause the OSC to opt out of the dual review; or
  - (b) indicate on SEDAR that it is clear to receive final materials.
- (3) If the principal regulator does not think it can review a preliminary short form prospectus or preliminary shelf prospectus adequately within the time-period contemplated in subsection (1) because it is too complex, the principal regulator may decide to apply the time-period for long form prospectuses. In that case, the principal regulator will notify the filer and, in the case of a dual prospectus, the OSC, within one working day of issuing the receipt for the preliminary short form prospectus or the preliminary shelf prospectus. Filers should submit a pre-filing to resolve any issues that may cause a delay in the review of a preliminary short form prospectus or preliminary shelf prospectus.

**5.6 Novel and substantive issue** – If a prospectus is filed for an offering that involves a novel and substantive issue or raises a novel policy concern and the issues were not resolved in a pre-filing, the complexity of the issue or concern may delay the review of the prospectus.

**5.7 Form of response** – The filer should provide written responses to the principal regulator’s comment letter.

## **PART 6 OPTING OUT OF A DUAL REVIEW**

### **6.1 Opting Out**

- (1) The OSC can opt out of a dual review at any time before the principal regulator issues a final receipt for the materials. The OSC will provide notice of its decision to opt out to the filer and the principal regulator by indicating that it has opted out on SEDAR.
- (2) The OSC will provide to the principal regulator written reasons for its decision to opt out of the dual review. The principal regulator will forward the reasons to the filer and will use its best efforts to resolve opt-out issues with the filer and the OSC.
- (3) If the principal regulator is able to resolve the OSC’s opt-out issues with the filer and the OSC, the OSC may opt back in. If the principal regulator is unable to resolve the OSC’s opt-out issues, the principal regulator’s final receipt will not evidence that the OSC has issued a receipt and the filer should deal with the OSC outside the dual review to resolve any outstanding issues.

## **PART 7 RECEIPTS**

### **7.1 Effect of prospectus receipt**

- (1) Under MI 11-102, a filer that receives a receipt for a preliminary prospectus or prospectus from the principal regulator will be deemed to have a receipt for the preliminary prospectus or prospectus in a passport jurisdiction if certain conditions are met, including that
  - (a) the filer filed the preliminary prospectus or prospectus in the passport jurisdiction, and
  - (b) the regulator of the passport jurisdiction is not the principal regulator for the prospectus filing.

To assist filers, the principal regulator will list in its receipt the passport jurisdictions in which it understands the filer has a deemed receipt.

- (2) In the case of a dual prospectus, the principal regulator’s receipt for a preliminary prospectus will also evidence that the OSC has issued a receipt. The principal regulator’s receipt for a final prospectus will also evidence that the OSC has issued a receipt, if the OSC has indicated on SEDAR that it is “clear for final”.

**7.2 Conditions to issuance of preliminary receipt** – The principal regulator will issue a preliminary receipt if:

- (1) the principal regulator determines that the filer has filed acceptable materials; and
- (2) the filer provides a letter to the principal regulator with the materials confirming the following, to the best of its knowledge and belief:

- (a) The filer filed the materials (including all required translations) with, and paid the required fees to, the principal regulator and all non-principal regulators.
- (b) The filer delivered all documents required to be delivered under the securities legislation of each jurisdiction in which the filer filed the materials.
- (c) The filer is not subject to a cease trade order issued by the regulator of any jurisdiction in which the filer filed the materials.
- (d) Where an underwriter is required to sign a certificate, at least one underwriter that signed the certificate is registered, or has filed an application for registration or for exemption from registration, in each jurisdiction in which the filer will offer securities to purchasers.
- (e) Where an underwriter is required to sign a certificate in a jurisdiction in which the filer is making the distribution and none of the underwriters that signed the certificate is registered in that jurisdiction, but one of them has filed an application for registration or for exemption from registration, that underwriter filed an undertaking with the principal regulator not to solicit in that jurisdiction until it is registered or exempt from registration.
- (f) If the filer plans to distribute the securities itself, the filer is registered in each jurisdiction in which the filer will offer securities to purchasers, has filed an application for registration or for exemption from registration, or is not required to be registered.
- (g) If the filer has filed an application for registration or exemption from registration in a jurisdiction, the filer filed an undertaking with the principal regulator not to solicit in that jurisdiction until the filer is registered or exempted from registration.

**7.3 Conditions to issuance of final receipt for a prospectus** – The principal regulator will issue a final receipt for a prospectus if:

- (1) the principal regulator is satisfied that all of its comments have been resolved;
- (2) in the case of a dual prospectus, the OSC indicates on SEDAR that it is clear to receive final materials or opts out of the dual review;
- (3) the principal regulator determines that the filer filed acceptable materials; and
- (4) the filer provides a letter to the principal regulator with the materials confirming the following, to the best of its knowledge and belief:
  - (a) The filer filed the materials (including all required translations and any undertaking the principal regulator requested) with, and paid the required fees to, the principal regulator and all non-principal regulators, except the OSC if the prospectus is a dual prospectus and the OSC has opted out of the dual review.
  - (b) The filer delivered all documents required to be delivered under the securities legislation of each jurisdiction in which the filer filed the materials.
  - (c) The filer is not subject to a cease trade order issued by the regulator of any jurisdiction in which the filer filed the materials.
  - (d) Where an underwriter is required to sign a certificate, at least one underwriter that signed the certificate is registered or is exempt from registration in each jurisdiction in which the filer will offer securities to purchasers.
  - (e) If the filer plans to distribute the securities itself, the filer is registered in each jurisdiction in which the filer will offer securities to purchasers, has an exemption from registration, or is not required to be registered.
  - (f) The filer has applied for and received all necessary exemptions from applicable securities legislation from the principal regulator and also from the OSC, in the case of a dual prospectus for which the OSC has not opted out of the dual review.

**7.4 Translations** – The filer is responsible for ensuring the accuracy of any required translations.

## **PART 8 PRE-FILINGS AND WAIVER APPLICATIONS**

### **8.1 General**

- (1) A filer seeking a pre-filing interpretation or a waiver application exemption before the issuance of a receipt should submit the pre-filing or waiver application sufficiently in advance of the filing of the related materials to avoid delays in the issuance of the receipt.
- (2) The time required to review a pre-filing or waiver application will depend on whether it is routine or involves a novel and substantive issue or raises a novel policy concern.
- (3) Annex A to the policy lists examples of pre-filings and waiver applications.

### **8.2 Procedure**

- (1) A filer should submit a pre-filing or waiver application by letter to the principal regulator. The pre-filing or waiver application should:
  - (a) identify the principal regulator for the pre-filing or waiver application and the basis for that determination;
  - (b) identify the non-principal regulators from which the filer requires the pre-filing interpretation or exemption,
  - (c) describe the subject matter of the pre-filing or waiver application, set out the interpretation or exemption sought, and provide supporting documentation; and
  - (d) in the case of a pre-filing or waiver application relating to a dual prospectus, provide the information set out in paragraph (c) that is relevant for Ontario.
- (2) Filing the waiver application under subsection (1) with the principal regulator will satisfy the requirement to give notice in section 4.7(1)(c) of MI 11-102 to each passport regulator from which the filer seeks the exemption.
- (3) For a routine pre-filing or waiver application,
  - (a) the principal regulator alone will review the pre-filing or waiver application and supporting documentation in accordance with its securities legislation and securities directions and based on its review procedures, analysis and precedents, and
  - (b) the principal regulator will use its best efforts to advise the filer of the disposition of the pre-filing or waiver application within four working days from receiving it.
- (4) If the principal regulator determines that a pre-filing or waiver application for a passport prospectus involves a novel and substantive issue or raises a novel policy concern, the principal regulator may provide copies or a description of the pre-filing or waiver application to other regulators for discussion purposes.
- (5) If the principal regulator determines that a pre-filing or waiver application for a dual prospectus involves a novel and substantive issue or raises a novel policy concern,
  - (a) The principal regulator will direct the filer to submit the pre-filing or waiver application in writing to the OSC if the filer has not already submitted it under paragraph (6).
  - (b) The principal regulator will use its best efforts to review the pre-filing or waiver application and supporting documentation and send its proposed disposition to the OSC within four working days from the date the principal regulator receives the pre-filing or waiver application.
  - (c) The OSC will use its best efforts to advise the principal regulator whether it agrees or disagrees with the principal regulator's proposed disposition within two working days from the date the OSC receives the principal regulator's proposed disposition.
  - (d) The principal regulator will advise the filer of the disposition of the pre-filing or waiver application if the OSC agrees with the proposed disposition.
  - (e) The principal regulator will use its best efforts to resolve the outstanding issues with the filer and the OSC if the OSC disagrees with the proposed disposition.

- (f) If the principal regulator is unable to resolve the OSC's outstanding issues, the principal regulator will advise the filer of how it disposed of the pre-filing or waiver application and to deal separately with the OSC to resolve the outstanding issues.
- (6) If it is apparent to the filer that a pre-filing or waiver application for a dual prospectus involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate the process by initially submitting the pre-filing or waiver application to both the principal regulator and the OSC.

### **8.3 Information to be provided with related materials**

- (1) When filing a preliminary or pro forma prospectus after submitting a pre-filing or waiver application, a filer should always indicate on SEDAR that it submitted a pre-filing or waiver application in the principal jurisdiction and, if applicable, in Ontario.
- (2) If the principal regulator for the filer's pre-filing or waiver application is different from the principal regulator for the filer's related prospectus filing, the filer should also indicate the name of the principal regulator for the pre-filing or waiver application in the cover letter for the prospectus.
- (3) In addition, when filing a preliminary prospectus or pro forma prospectus after receiving the disposition for a pre-filing or waiver application, the filer should include in the cover letter for the prospectus:
  - (a) the name of the principal regulator for the pre-filing or waiver application, if it is different from the principal regulator for the prospectus filing;
  - (b) a description of the subject matter of the pre-filing or waiver application;
  - (c) the relevant provisions of the securities legislation in the principal jurisdiction;
  - (d) how the principal regulator for the pre-filing or waiver application disposed of the pre-filing or waiver application; and
  - (e) in the case of a pre-filing or waiver application relating to a dual prospectus,
    - (i) the information set out in paragraph (c) that is relevant for Ontario;
    - (ii) if the OSC disagrees with the principal regulator's proposed disposition, how the OSC disposed of the matter; and
    - (iii) if the filer did not seek an interpretation or an exemption in any passport jurisdiction, the subject matter of the pre-filing or waiver application and the disposition by the OSC.

### **8.4 Effect of prospectus receipt when waiver application submitted**

- (1) If a filer submitted a waiver application for a prospectus filing and the disclosure in the prospectus reflects that the principal regulator granted an exemption, the principal regulator's final receipt
  - (a) evidences that the principal regulator has granted the exemption, and
  - (b) results in an equivalent exemption in each passport jurisdiction that the filer identified in its waiver application under section 8.2(1)(b) of this policy and in which the filer filed the prospectus.
- (2) If the principal regulator for the waiver application is different from the principal regulator for the related prospectus, the principal regulator for the waiver application will advise the principal regulator for the related prospectus of the disposition of the waiver application. If the principal regulator for the waiver application grants the exemption, the final receipt of the principal regulator for the related prospectus will
  - (a) evidence that the principal regulator for the waiver application has granted the exemption, and
  - (b) result in an equivalent exemption in each passport jurisdiction that the filer identified in its waiver application under section 8.2(1)(b) of this policy and in which the filer filed the prospectus.
- (3) In the case of a waiver application relating to a dual prospectus, the principal regulator's final receipt will also evidence that the OSC has granted the exemption if the OSC has indicated on SEDAR that it is "clear for final".



### 8.5 Resolution of pre-filing

- (1) The fact that the principal regulator issued the final receipt for a prospectus filing for which a filer submitted a pre-filing confirms that the pre-filing was satisfactorily resolved.
- (2) If the principal regulator for a pre-filing is different from the principal regulator for the related prospectus, the principal regulator for the pre-filing will advise the principal regulator for the related prospectus of its interpretation.

## PART 9 APPLICATIONS

**9.1 Applications in multiple jurisdictions** – In many instances, filers require exemptions not contemplated under Part 8 to file materials or to facilitate a distribution of securities. NP 11-203 is available for these types of exemption applications.

**9.2 Timing of application** – A filer requiring an exemption before the issuance of a receipt should file its application sufficiently in advance of the filing of the related materials to avoid delays in the issuance of the receipt.

**9.3 Additional information to be provided** – When filing an application, the filer should indicate in a cover letter for the application that it has filed or will file related materials. When filing the related materials for a dual prospectus, the filer should indicate on SEDAR it has made or is making the application in Ontario.

## PART 10 AMENDMENTS

**10.1 Conditions to issuance of receipt for preliminary prospectus amendments** – The principal regulator will issue a preliminary prospectus amendment receipt if:

- (1) the principal regulator determines that the filer has filed acceptable materials; and
- (2) the filer provides a letter to the principal regulator with the materials confirming the following, to the best of its knowledge and belief:
  - (a) The filer filed the materials (including all required translations) with, and paid the required fees to, the principal regulator and all non-principal regulators.
  - (b) The filer delivered all documents required to be delivered under the securities legislation of each jurisdiction in which the filer filed the materials.
  - (c) The filer is not subject to a cease trade order issued by the regulator of any jurisdiction in which the filer filed the materials.
  - (d) Where an underwriter is required to sign a certificate, at least one underwriter that signed the certificate is registered, or has filed an application for registration or for exemption from registration, in each jurisdiction in which the filer will offer securities to purchasers.
  - (e) Where an underwriter is required to sign a certificate in a jurisdiction in which the filer is making the distribution and none of the underwriters that signed the certificate is registered in that jurisdiction, but one of them has filed an application for registration or for exemption from registration, that underwriter filed an undertaking with the principal regulator not to solicit in that jurisdiction until it is registered or exempt from registration.
  - (f) If the filer plans to distribute the securities itself, the filer is registered in each jurisdiction in which the filer will offer securities to purchasers, has filed an application for registration or for exemption from registration, or is not required to be registered.
  - (g) If the filer has filed an application for registration or exemption from registration in a jurisdiction, the filer filed an undertaking with the principal regulator not to solicit in that jurisdiction until the filer is registered or exempted from registration.

### 10.2 Receipt for preliminary prospectus amendments

- (1) Under MI 11-102, a filer that receives a receipt for a preliminary prospectus amendment from the principal regulator will be deemed to have a receipt for the preliminary prospectus amendment in a passport jurisdiction if certain conditions are met, including that

- (a) the filer filed the preliminary prospectus amendment in the passport jurisdiction, and
- (b) the regulator in the passport jurisdiction is not the principal regulator for the prospectus filing.

To assist filers, the principal regulator will list in its receipt the passport jurisdictions in which it understands the filer has a deemed receipt.

- (2) In the case of a dual prospectus, the principal regulator's receipt for a preliminary prospectus amendment will also evidence that the OSC has issued a receipt.

### 10.3 Review period for preliminary prospectus amendments

- (1) If a filer files a preliminary prospectus amendment before the principal regulator issues its comment letter relating to the preliminary prospectus materials, the principal regulator may be unable to complete its review of the preliminary prospectus materials and issue its comment letter within the time-period indicated in section 5.4(1) or 5.5(1) of this policy, as applicable. The principal regulator will use its best efforts to issue its comment letter on the later of the date that is
  - (a) in the case of a long form prospectus, five working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter; and
  - (b) in the case of a short form prospectus or a shelf prospectus, three working days after the date of the receipt for the preliminary prospectus amendment and the original due date for the comment letter.

Similarly, in the case of a dual prospectus, if a filer files a preliminary prospectus amendment before the OSC completes its review under section 5.4(2) or 5.5(2) of this policy, the OSC may be unable to complete its review within the relevant time-periods. The OSC will use its best efforts to advise the principal regulator by the later of

- (a) the date that is three working days after the date of the receipt for the preliminary prospectus amendment, and
- (b) the original due date for advising the principal regulator

of any concerns with the materials that, if left unresolved, would cause it to opt out of the dual review.

- (2) If a filer files a preliminary long form prospectus amendment after the principal regulator has issued its comment letter,
  - (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within three working days of the date of the receipt for the preliminary long form prospectus amendment; and
  - (b) in the case of a dual prospectus, the OSC will use its best efforts to advise the principal regulator, within three working days of the date of the receipt for the preliminary long form prospectus amendment, of any concerns with the materials that, if left unresolved, would cause it to opt out of the dual review.
- (3) If a filer files a preliminary short form prospectus amendment or preliminary shelf prospectus amendment after the principal regulator has issued its comment letter,
  - (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within two working days of the date of the receipt for the preliminary short form prospectus amendment or preliminary shelf prospectus amendment; and
  - (b) in the case of a dual prospectus, the OSC will use its best efforts to advise the principal regulator, within two working days of the date of the receipt for the preliminary short form prospectus amendment or preliminary shelf prospectus amendment, of any concerns with the materials that, if left unresolved, would cause it to opt out of the dual review.
- (4) The time periods in subsections (2) and (3) may not apply in circumstances where it would be more appropriate for the principal regulator and, in the case of a dual prospectus, the OSC, to review the amendment materials at a different stage of the review process. For example, the principal regulator and the OSC may wish to defer reviewing the amendment materials until after receiving and reviewing the filer's responses to comments already issued on the preliminary prospectus materials.

#### 10.4 Review period for prospectus amendments

- (1) If a filer files a long form prospectus amendment,
  - (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within three working days of the date of receiving the materials in acceptable form; and
  - (b) in the case of a dual prospectus, the OSC will use its best efforts to advise the principal regulator within three working days of the date of receiving the materials in acceptable form of any concerns with the materials that, if left unresolved, would cause it to opt out of the dual review.
- (2) If a filer files a short form prospectus amendment or shelf prospectus amendment,
  - (a) the principal regulator will use its best efforts to review the materials and issue a comment letter within two working days of the date of receiving the materials in acceptable form; and
  - (b) in the case of a dual prospectus, the OSC will use its best efforts to advise the principal regulator within two working days of the date of receiving the materials in acceptable form of any concerns with the materials that, if left unresolved, would cause it to opt out of the dual review.

**10.5 Conditions to issuance of prospectus amendment receipt** – The principal regulator will issue a prospectus amendment receipt if:

- (1) the principal regulator is satisfied that all of its comments have been resolved;
- (2) in the case of a dual prospectus, the OSC indicates on SEDAR that it is clear to receive amendments to final materials or opts out of the dual review;
- (3) the principal regulator determines that the filer filed acceptable materials; and
- (4) the filer provides a letter to the principal regulator with the materials confirming the following, to the best of its knowledge and belief:
  - (a) The filer filed the materials (including all required translations and any undertaking the principal regulator requested) with, and paid the required fees to, the principal regulator and all non-principal regulators, except the OSC if the amendment relates to a dual prospectus and the OSC has opted out of the dual review.
  - (b) The filer delivered all documents required to be delivered under the securities legislation of each jurisdiction in which the filer filed the materials.
  - (c) The filer is not subject to a cease trade order issued by the regulator of any jurisdiction in which the filer filed the materials;
  - (d) Where an underwriter is required to sign a certificate and the amendment relates to the removal of an underwriter, at least one underwriter that signed the certificate is registered or is exempt from registration in each jurisdiction in which the filer will offer securities to purchasers.
  - (e) The filer has applied for and received all necessary exemptions from applicable securities legislation from the principal regulator, and from the OSC in the case of a dual prospectus for which the OSC has not opted out of the dual review.

#### 10.6 Prospectus amendment receipt

- (1) Under MI 11-102, a filer that receives a receipt for a prospectus amendment from the principal regulator will be deemed to have a receipt for the prospectus amendment in a passport jurisdiction if certain conditions are met, including that
  - (a) the filer filed the prospectus amendment in the passport jurisdiction, and
  - (b) the regulator in the passport jurisdiction is not the principal regulator for the prospectus filing.

To assist filers, the principal regulator will list in its receipt the passport jurisdictions in which it understands the filer has a deemed receipt.

- (2) In the case of a dual prospectus, the principal regulator's receipt for a prospectus amendment will also evidence that the OSC has issued a receipt, if the OSC has indicated on SEDAR that it is "clear" for the amendment to final.

**PART 11 HOLIDAYS**

**11.1 Holidays** – A receipt issued under this Policy is deemed to be issued in a non-principal passport jurisdiction on the date of the receipt issued by the principal regulator even if the non-principal passport regulator is closed on that date. For a dual prospectus, the receipt from the principal regulator will also evidence that the OSC has issued a receipt if the OSC is open on the date of the principal regulator's receipt and has not opted-out. If the OSC is not open on the date of the principal regulator's receipt, the principal regulator will issue a second receipt that evidences that the OSC has issued a receipt on the next day that the OSC is open.

**PART 12 EFFECTIVE DATE AND TRANSITION**

**12.1 Effective date** – This policy comes into effect on March 17, 2008.

**12.2 Prospectus filed before March 17, 2008** – The process set out in National Policy 43-201 Mutual Reliance Review System for Prospectuses will continue to apply to

- (a) a preliminary prospectus, pro forma prospectus, preliminary prospectus amendment or prospectus amendment filed before March 17, 2008,
- (b) a prospectus, other than a prospectus amendment, whose related preliminary prospectus or pro forma prospectus was filed before March 17, 2008, and
- (c) a pre-filing or waiver application filed before March 17, 2008 if it relates to a prospectus whose related preliminary prospectus or pro forma prospectus was filed before March 17, 2008.

**Annex A**

**Examples of Pre-Filings and Waiver Applications Dealt With  
under Part 8 of National Policy 11-202**

Matters relating to:

1. Financial statement and other prospectus requirements
2. Escrow requirements for a prospectus
3. Confidentiality of material contracts
4. NI 81-101 *Mutual Fund Prospectus Disclosure*
5. Confidential pre-filing of a prospectus for review purposes

## SCHEDULE I

### NATIONAL POLICY 11-203

#### *PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS*

#### **PART 1 APPLICATION**

- 1.1 Application

#### **PART 2 DEFINITIONS**

- 2.1 Definitions
- 2.2 Further definitions

#### **PART 3 OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES**

- 3.1 Overview
- 3.2 Passport application
- 3.3 Dual application
- 3.4 Coordinated review application
- 3.5 Hybrid applications
- 3.6 Principal regulator
- 3.7 Discretionary change in principal regulator
- 3.8 General guidelines

#### **PART 4 PRE-FILINGS**

- 4.1 General
- 4.2 Procedure for passport application pre-filing
- 4.3 Procedure for dual application pre-filing
- 4.4 Procedure for coordinated review application pre-filing
- 4.5 Disclosure in related application

#### **PART 5 FILING MATERIALS**

- 5.1 Election to file under this policy and identification of principal regulator
- 5.2 Materials to be filed with application
- 5.3 Materials to be filed to make an exemption available in an additional passport jurisdiction under sections 4.7 and 4.8 of MI 11-102
- 5.4 Request for confidentiality
- 5.5 Filing
- 5.6 Incomplete or deficient material
- 5.7 Acknowledgment of receipt of filing
- 5.8 Withdrawal or abandonment of application

#### **PART 6 REVIEW OF MATERIALS**

- 6.1 Review of passport application
- 6.2 Review and processing of dual application or coordinated review application

#### **PART 7 DECISION-MAKING PROCESS**

- 7.1 Passport application
- 7.2 Dual application or coordinated review application

#### **PART 8 DECISION**

- 8.1 Effect of decision made under passport application
- 8.2 Effect of decision made under dual application
- 8.3 Effect of decision made under coordinated review application
- 8.4 Listing non-principal jurisdictions
- 8.5 Form of decision
- 8.6 Issuance of decision

#### **PART 9 EFFECTIVE DATE AND TRANSITION**

- 9.1 Effective date
- 9.2 Exemptive relief applications filed before March 17, 2008
- 9.3 Availability of passport for exemptions applied for before March 17, 2008

#### **Annex A**

- Form of decision for passport application

**Annex B**

Form of decision for a dual application

**Annex C**

Form of decision for coordinated review application

**Annex D**

Form of decision for hybrid application

**NATIONAL POLICY 11-203**  
**PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS**

**PART 1 APPLICATION**

**1.1 Application** – This policy describes the process for the filing and review of an application for exemptive relief in more than one Canadian jurisdiction.

**PART 2 DEFINITIONS**

**2.1 Definitions** – In this policy

“AMF” means the regulator in Québec;

“application” means a request for exemptive relief other than a pre-filing or waiver application as those terms are defined in NP 11-202;

“coordinated review application” means an application described in section 3.4 of this policy;

“coordinated review” means the review under this policy of a coordinated review application;

“CP 11-102” means Companion Policy 11-102CP *Passport System* to MI 11-102;

“dual application” means an application described in section 3.3 of this policy;

“dual review” means the review under this policy of a dual application;

“exemption” means any discretionary exemption to which Part 4 of MI 11-102 applies;

“exemptive relief” means any approval, decision, declaration, designation, determination, exemption, extension, order, ruling, permission, recognition, revocation, waiver or other relief sought under securities legislation or securities directions;

“filer” means

- (a) a person or company filing an application, or
- (b) an agent of a person or company referred to in paragraph (a);

“hybrid application” means an application comprised of both

- (a) a passport application or dual application, and
- (b) a coordinated review application;

“MI 11-102” means Multilateral Instrument 11-102 *Passport System*;

“notified passport jurisdiction” means a passport jurisdiction for which a filer gave the notice referred to in section 4.7(1)(c) of MI 11-102

“NP 11-202” means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

“OSC” means the regulator in Ontario;

“passport application” means an application described in section 3.2 of this policy;

“passport jurisdiction” means the jurisdiction of a passport regulator;

“passport regulator” means a regulator that has adopted MI 11-102;

“pre-filing” means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular transaction or matter or proposed transaction or matter; and



“regulator” means a securities regulatory authority or regulator.

**2.2 Further definitions** – Terms used in this policy that are defined in MI 11-102 or National Instrument 14-101 *Definitions* have the same meanings as in those instruments.

### **PART 3 OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES**

#### **3.1 Overview**

This policy applies to any application for exemptive relief in multiple jurisdictions. These are the possible types of applications:

- (a) The principal regulator is a passport regulator and the filer does not seek an exemption in Ontario. This is a “passport application.”
- (b) The principal regulator is the OSC and the filer also seeks an exemption in a passport jurisdiction. This is also a “passport application.”
- (c) The principal regulator is a passport regulator and the filer also seeks an exemption in Ontario. This is a “dual application.”
- (d) An application for any type of exemptive relief not covered by Part 4 of MI 11-102. This is a “coordinated review application.”

#### **3.2 Passport application**

- (1) If the principal regulator is a passport regulator and the filer does not seek an exemption in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator’s decision to grant an exemption automatically results in an equivalent exemption in the notified passport jurisdictions.
- (2) If the principal regulator is the OSC and the filer also seeks an equivalent exemption in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC’s decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions.

**3.3 Dual application** – If the principal regulator is a passport regulator and the filer also seeks an exemption in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator’s decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions and, if the OSC has made the same decision as the principal regulator, evidences the decision of the OSC.

**3.4 Coordinated review application** – If the application is outside the scope of MI 11-102 (see section 4.1 of CP 11-102 for details on the types of applications that fall outside the scope of MI 11-102), the filer files the application and pays fees in each jurisdiction where the exemptive relief is required. The principal regulator reviews the application, and each non-principal regulator coordinates its review with the principal regulator. The decision of the principal regulator to grant exemptive relief evidences the decision of each non-principal regulator that has made the same decision as the principal regulator.

**3.5 Hybrid applications** – The processes and outcomes applicable to a passport application, dual application or a coordinated review application under this policy also apply to a hybrid application. For a hybrid application, the filer should follow the processes for both a coordinated review application and either a passport application or dual application, as appropriate.

#### **3.6 Principal regulator**

- (1) For any application under this policy, the principal regulator is identified in the same manner as in sections 4.1 to 4.5 of MI 11-102. This section summarizes sections 4.1 to 4.5 of MI 11-102 and provides guidance on identifying the principal regulator for an application under this policy.
- (2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.
- (3) Except as provided in subsections (4) to (8) of this section and in section 3.7 of this policy, the principal regulator is
  - (a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager’s head office is located; or

- (b) for an application made for a person or company other than an investment fund, the regulator of the jurisdiction in which the person or company's head office is located.
- (4) For an application for exemptive relief from a provision of securities legislation related to insider reporting, the principal regulator is the regulator in the jurisdiction in which the head office of the reporting issuer, not the insider, is located.
- (5) For an application for exemptive relief from a provision of securities legislation related to take-over bids, the principal regulator is the regulator in the jurisdiction in which the head office of the issuer whose securities are subject to the take-over bid, not the person or company that is making the take-over bid, is located.
- (6) If the jurisdiction identified under subsection (3), (4) or (5) is not a specified jurisdiction, the principal regulator for the application is the regulator of the specified jurisdiction with which
  - (a) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,
  - (b) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or
  - (c) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.
- (7) Except as provided in subsection (8), if a person or company is not seeking exemptive relief in the jurisdiction of the principal regulator, as determined under subsections (3), (4), (5) or (6), the principal regulator for the application is the regulator in the specified jurisdiction
  - (a) in which the person or company is seeking exemptive relief, and
  - (b) with which
    - (i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,
    - (ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or
    - (iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.
- (8) If at any one time a person or company is seeking more than one item of exemptive relief and not all of the exemptive relief is needed in the jurisdiction of the principal regulator, as determined under subsection (3), (4), (5) or (6), the person or company may make an application to the regulator in the specified jurisdiction
  - (a) in which the person or company is seeking all of the exemptive relief, and
  - (b) with which
    - (i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,
    - (ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or
    - (iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

That regulator will be the principal regulator for the application.

- (9) The factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:

- (a) location of reporting issuer status or registration status,
- (b) location of management,
- (c) location of assets and operations,
- (d) location of majority of security holders or clients, and
- (e) location of trading market or quotation system in Canada.

**3.7 Discretionary change in principal regulator**

- (1) If the principal regulator identified under section 3.6 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the appropriate regulator and then give the filer a written notice of the new principal regulator and the reasons for the change.
- (2) A filer may request a discretionary change of principal regulator for an application if
  - (a) the filer believes the principal regulator identified under section 3.6 of this policy is not the appropriate principal regulator,
  - (b) the location of the head office changes over the course of the application,
  - (c) the most significant connection to a specified jurisdiction changes over the course of the application, or
  - (d) the filer withdraws its application in the principal jurisdiction because no exemptive relief is required in that jurisdiction.
- (3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.
- (4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change.

**3.8 General guidelines**

- (1) A filer should identify the exemptive relief that is appropriate and necessary in the principal jurisdiction and each non-principal jurisdiction to which the filer applies or for which it gives notice under section 4.7(1)(c) of MI 11-102.
- (2) The terms, conditions, restrictions and requirements of a decision will reflect the securities legislation and securities directions of the principal jurisdiction.
- (3) A decision will generally provide exemptive relief for the entire transaction or matter that is the subject of the application to ensure the transaction or matter gets uniform treatment in all jurisdictions. This means that, if the transaction or matter is comprised of a series of trades, the decision will generally exempt all the trades in the series and the filer will not rely on statutory exemptions for some trades and on the decision for others.
- (4) The regulators are not prepared to extend the availability of a non-harmonized exemption set out in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) to a non-principal jurisdiction where the non-harmonized exemption is not available under that rule. If a filer makes a passport application or a dual application that would have that effect, the principal regulator will request that the filer provide a representation that no person or company will rely on the exemption in that non-principal jurisdiction. For example, jurisdictions have adopted two types of offering memorandum exemptions under NI 45-106. A principal regulator would not grant an exemption that would have the effect of allowing the use of a type of offering memorandum exemption that is not available under NI 45-106 in a non-principal jurisdiction, unless the filer gave a representation that no person or company would offer the securities relying on that type of offering memorandum exemption in the non-principal jurisdiction.
- (5) Regulators will generally send communications to filers by e-mail or facsimile.

## **PART 4 PRE-FILINGS**

### **4.1 General**

- (1) A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the issuance of a decision on the application.
- (2) The principal regulator will treat the pre-filing as confidential except that it:
  - (a) may provide copies or a description of the pre-filing to other regulators for discussion purposes if the pre-filing involves a novel and substantive issue or raises a novel policy concern, and
  - (b) may have to release the pre-filing under freedom of information and protection of privacy legislation.

### **4.2 Procedure for passport application pre-filing** – A filer should submit a pre-filing for a passport application by letter to the principal regulator and should

- (a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and
- (b) submit the pre-filing to the principal regulator only.

### **4.3 Procedure for dual application pre-filing**

- (1) A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and Ontario.
- (2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.
- (3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to the OSC.
- (4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to both the principal regulator and the OSC.
- (5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the OSC to discuss it within seven business days, or as soon as practicable after the OSC receives the pre-filing.

### **4.4 Procedure for coordinated review application pre-filing**

- (1) A filer submitting a pre-filing for a coordinated review application should identify in the pre-filing the principal regulator and all non-principal jurisdictions where the filer intends to file the application.
- (2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.
- (3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to each non-principal regulator.
- (4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to the principal regulator and each non-principal regulator with whom the filer intends to file the application.
- (5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the non-principal regulators to discuss the pre-filing within seven business days, or as soon as practicable after all non-principal regulators receive the pre-filing.

### **4.5 Disclosure in related application** – The filer should include in the application that follows a pre-filing,

- (a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and

- (b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

## PART 5 FILING MATERIALS

**5.1 Election to file under this policy and identification of principal regulator** – In its application, the filer should indicate whether it is filing a passport application, dual application, coordinated review application or hybrid application under this policy and identify the principal regulator for the application. If submitting a hybrid application, the filer should indicate whether it includes a passport application or a dual application.

### 5.2 Materials to be filed with application

- (1) For a passport application, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:
  - (a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:
    - (i) states the basis for identifying the principal regulator under section 3.6 of this policy,
    - (ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,
    - (iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,
    - (iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption,
    - (v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,
    - (vi) sets out any request for confidentiality,
    - (vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;
    - (viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and
    - (ix) states that the filer and other relevant party is not in default of securities legislation in any jurisdiction or, if the filer is in default, the nature of the default;
  - (b) supporting materials; and
  - (c) a draft form of decision with terms, conditions, restrictions or requirements, including
    - (i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default; and
    - (ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.
- (2) For a dual application, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:
  - (a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

- (i) states the basis for identifying the principal regulator under section 3.6 of this policy,
  - (ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,
  - (iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,
  - (iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption, the relevant provisions of securities legislation in Ontario and an analysis of any differences between the applicable provisions in the principal jurisdiction and Ontario,
  - (v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,
  - (vi) sets out any request for confidentiality,
  - (vii) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,
  - (viii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;
  - (ix) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and
  - (x) states that the filer and any relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default;
- (b) supporting materials; and
- (c) a draft form of decision with terms, conditions, restrictions or requirements, including
- (i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or if the filer or relevant party is in default, the nature of the default; and
  - (ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.
- (3) For a coordinated review application, the filer should remit the fees payable under the securities legislation of the principal regulator and each non-principal regulator from whom the filer or other relevant parties seek exemptive relief to each of them, as appropriate, and file the following materials with the principal regulator and each of the non-principal regulators:
- (a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:
    - (i) states the basis for identifying the principal regulator section 3.6 of this policy,
    - (ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,
    - (iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,
    - (iv) sets out, under separate headings, each provision of securities legislation in the principal jurisdiction from which the filer and other relevant party are seeking exemptive relief, the relevant provisions of securities legislation in each non-principal jurisdiction, and an analysis of any differences between the applicable provisions in the principal jurisdiction and each non-principal jurisdiction,
    - (v) sets out any request for confidentiality,

- (vi) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,
  - (vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemptive relief, or indicates that the exemptive relief sought is novel and has not been previously granted;
  - (viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and
  - (ix) states that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default;
- (b) supporting materials; and
- (c) a draft form of decision with terms, conditions, restrictions or requirements, including
- (i) a representation stating that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default; and
  - (ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.
- (4) For a hybrid application, the filer should pay the fees, file the application with each regulator and, for each type of application, set out the exemption or exemptive relief sought and submit the relevant information and materials, all as described in this section.
- (5) A filer should file an application sufficiently in advance of any deadline to ensure that staff have a reasonable opportunity to complete the review and make recommendations for a decision.
- (6) A filer making a passport application or a dual application should identify in the application all the exemptions required and give the required notice for all the passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon. The notice given under subsection (1)(a)(v) or (2)(a)(v) above satisfies the notice requirement of section 4.7(1)(c) of MI 11-102.
- (7) A filer seeking exemptive relief in Québec should file a French language version of the draft decision when the AMF is acting as principal regulator.

**5.3 Materials to be filed to make an exemption available in an additional passport jurisdiction under sections 4.7 and 4.8 of MI 11-102**

- (1) Under section 4.7(1) of MI 11-102, an exemption from a provision of securities legislation listed in Appendix D of that Instrument granted by the principal regulator under a passport application or dual application can become available in a non-principal passport jurisdiction for which the filer did not give the notice referred to in section 5.2(1)(a)(v) or 5.2(2)(a)(v) of this policy in the initial application if certain conditions are met. One of the conditions is that the filer give the notice under section 4.7(1)(c) of MI 11-102 for the additional non-principal passport jurisdiction.
- (2) Under section 4.8(1) of MI 11-102, an exemption from a provision of securities legislation that is now listed in Appendix D of that Instrument and that was granted before March 17, 2008 by the regulator in a specified jurisdiction, as defined in that section, can also become available in a non-principal passport jurisdiction if certain conditions are met. One of the conditions is that the filer gives the notice under section 4.8(1)(c) of MI 11-102 for the non-principal passport jurisdiction. Under section 4.8(3), the filer is not required to give this notice if the exemption relates to a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, that is now listed in Appendix D of MI 11-102 and other conditions are met. For more guidance on section 4.8(1) of MI 11-102, refer to section 9.3 of this policy and section 4.5 of CP 11-102.
- (3) For greater certainty, a filer may not rely on section 4.7 or 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.7 and 4.8 of MI 11-102 only in a passport jurisdiction.

- (4) The filer should give the notice referred to in subsection (1) to the principal regulator for the initial application and the notice referred to in subsection (2) to the regulator that would be the principal regulator under Part 4 of MI 11-102 if an application were to be made under that Part at the time the notice is given. The notice should
- (a) list each relevant non-principal passport jurisdiction for which notice is given that section 4.7(1) or 4.8(1) of MI 11-102 is intended to be relied upon,
  - (b) include the date of the decision of
    - (i) the principal regulator for the initial application, if the notice is given under section 4.7(1)(c) of MI 11-102, or
    - (ii) the regulator of the specified jurisdiction that granted the application, if the notice is given under section 4.8(1)(c) of MI 11-102,
  - (c) include the citation for the regulator's decision,
  - (d) describe the exemption the regulator granted, and
  - (e) confirm that the exemption is still in effect.
- (5) If an exemption sought in a passport application or a dual application is required in a non-principal jurisdiction at the time the filer files the application, but the filer does not give the notice required under section 4.7(1)(c) of MI 11-102 for that jurisdiction until after the principal regulator grants the exemption, the regulator of the non-principal passport jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer would have an opportunity to be heard in that jurisdiction in appropriate circumstances.
- (6) The regulator that receives the notice referred to in subsection (1) or (2) will send a copy of the notice and its decision to the regulator in the relevant non-principal passport jurisdiction.

#### **5.4 Request for confidentiality**

- (1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.
- (2) If a filer is requesting that the regulators hold the application, supporting materials, or decision in confidence after the effective date of the decision, the filer should describe the request for confidentiality separately in its application, and pay any required fee:
- (a) in the principal jurisdiction, if the filer is making a passport application,
  - (b) in the principal jurisdiction and in Ontario, if the filer is making a dual application, or
  - (c) in each jurisdiction, if the filer is making a coordinated review application.
- (3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality could expire.
- (4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by facsimile or telephone.

#### **5.5 Filing** – A filer should send the application materials in paper together with the fees to

- (a) the principal regulator, in the case of a passport application,
- (b) the principal regulator and the OSC, in the case of a dual application, or
- (c) each regulator from which the filer seeks exemptive relief, in the case of a coordinated review application.

The filer should also provide an electronic copy of the application materials, including the draft decision document, by e-mail or on CD ROM. Filing the application concurrently in all required jurisdictions will make it easier for the principal regulator and non-principal regulators, if applicable, to process the application expeditiously. In British Columbia, an electronic filing system is available for filing and tracking exemptive relief applications. Filers should file an application



in British Columbia using that system instead of e-mail. Filers should file applications related to National Instrument 81-102 Mutual Funds on SEDAR.

Filers should send pre-filing and application materials by e-mail using the relevant address or addresses listed below:

British Columbia	<a href="http://www.bcsc.bc.ca">www.bcsc.bc.ca</a> (click on BCSC e-services and follow the steps)
Alberta	<a href="mailto:legalapplications@seccom.ab.ca">legalapplications@seccom.ab.ca</a>
Saskatchewan	<a href="mailto:exemptions@sfsc.gov.sk.ca">exemptions@sfsc.gov.sk.ca</a>
Manitoba	<a href="mailto:exemptions.msc@gov.mb.ca">exemptions.msc@gov.mb.ca</a>
Ontario	<a href="mailto:applications@osc.gov.on.ca">applications@osc.gov.on.ca</a>
Québec	<a href="mailto:dispenses/passeport@lautorite.qc.ca">dispenses/passeport@lautorite.qc.ca</a>
New Brunswick	<a href="mailto:Passport-passeport@nbsc-cvmnb.ca">Passport-passeport@nbsc-cvmnb.ca</a>
Nova Scotia	<a href="mailto:nsscexemptions@gov.ns.ca">nsscexemptions@gov.ns.ca</a>
Prince Edward Island	<a href="mailto:CCIS@gov.pe.ca">CCIS@gov.pe.ca</a>
Newfoundland and Labrador	<a href="mailto:securitiesexemptions@gov.nl.ca">securitiesexemptions@gov.nl.ca</a>
Yukon	<a href="mailto:Corporateaffairs@gov.yk.ca">Corporateaffairs@gov.yk.ca</a>
Northwest Territories	<a href="mailto:SecuritiesRegistry@gov.nt.ca">SecuritiesRegistry@gov.nt.ca</a>
Nunavut	<a href="mailto:legalregistries@gov.nu.ca">legalregistries@gov.nu.ca</a>

**5.6 Incomplete or deficient material** – If the filer’s materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

**5.7 Acknowledgment of receipt of filing**

- (1) After the principal regulator receives a complete and adequate application, the principal regulator will send the filer an acknowledgment of receipt of the application. The principal regulator will send a copy of the acknowledgement to any other regulator with whom the filer has filed the application. The acknowledgement will identify the name, phone number, fax number and e-mail address of the individual reviewing the application.
- (2) For a dual application, coordinated review application or hybrid application, the principal regulator will tell the filer, in the acknowledgement, the end date of the review period identified in section 6.2(3) of this policy.

**5.8 Withdrawal or abandonment of application**

- (1) If a filer withdraws an application at any time during the process, the filer is responsible for notifying the principal regulator and any non-principal regulator with whom the filer filed the application and for providing an explanation of the withdrawal.
- (2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as “abandoned”. In that case, the principal regulator will close the file without further notice to the filer unless the filer provides acceptable reasons not to close the file in writing within 10 business days. If the filer does not, the principal regulator will notify the filer and any non-principal regulator with whom the filer filed the application that the principal regulator has closed the file.

**PART 6 REVIEW OF MATERIALS**

**6.1 Review of passport application**

- (1) The principal regulator will review any passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and considering previous decisions.

- (2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

## 6.2 Review and processing of dual application or coordinated review application

- (1) The principal regulator will review any dual application or coordinated review application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and considering previous decisions. The principal regulator will consider any comments from a non-principal regulator with whom the filer filed the application. Please refer to section 5.2(2) of this policy for guidance on the non-principal regulator with whom a filer should file a dual application, and to section 5.2(3) for similar guidance for a coordinated review application.
- (2) The filer will generally deal only with the principal regulator, who will be responsible for providing comments to the filer once it has considered the comments from the non-principal regulators and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to a non-principal regulator with whom the filer has filed the application.
- (3) A non-principal regulator with whom the filer has filed the application will have seven business days from receiving the acknowledgement referred to in section 5.7(1) of this policy to review the application. In exceptional circumstances, if the filer filed the dual application or coordinated review application concurrently in the non-principal jurisdictions and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention, the principal regulator may abridge the review period. A non-principal regulator that disagrees with abridging the review period may notify the filer and the principal regulator and request the filer to withdraw the application in that jurisdiction. In that case, the application will proceed as a local application without the need to file a new application and pay any additional related fees.
- (4) Exceptional circumstances when the principal regulator may abridge the review period include:
- (a) where exemptive relief is sought for a contested take-over bid and delay would prejudice the filer's position, and
  - (b) other situations in which the filer is responding to a critical event beyond its control and could not have applied for the exemptive relief earlier.
- (5) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:
- (a) the mailing of a management information circular for a scheduled meeting of security holders to consider a transaction,
  - (b) the filing of a prospectus where the receipt for the prospectus cannot evidence the exemptive relief,
  - (c) the closing of a transaction,
  - (d) the filing of a continuous disclosure document shortly before the date on which its filing is required, or
  - (e) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

- (6) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or a decision by that date, the filer should explain why staff's view or the exemptive relief is required by the specific date and identify these time constraints in its application.
- (7) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will advise the principal regulator, before the expiration of the review period, of any substantive issues that, if left unresolved, would cause staff to recommend that the non-principal regulator opt out of the review. The principal regulator may assume that a non-principal regulator does not have comments on the application if the principal regulator does not receive them within the review period.

- (8) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will notify the filer and the principal regulator and request that the filer withdraw the application if staff of the non-principal regulator think that no exemptive relief is required under its securities legislation.

## **PART 7 DECISION-MAKING PROCESS**

### **7.1 Passport application**

- (1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a passport application.
- (2) If the principal regulator is not prepared to grant the exemption a filer sought in its passport application based on the information before it, it will notify the filer accordingly.
- (3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

### **7.2 Dual application or coordinated review application**

- (1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a dual application or the exemptive relief the filer sought in a coordinated review application and immediately circulate its decision to the non-principal regulators with whom the filer filed the application.
- (2) Each non-principal regulator with whom the filer filed the dual application or coordinated review application will have five business days from receipt of the principal regulator's decision to confirm whether it has made the same decision and is opting in or is opting out of the dual review or coordinated review.
- (3) If the non-principal regulator is silent, the principal regulator will consider that the non-principal regulator has opted out.
- (4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the non-principal regulators to abridge the opt-out period. In some circumstances, abridging the opt-out period may not be feasible. For example, in many jurisdictions, only a panel of the regulator that convenes according to a schedule can make some types of decisions.
- (5) The principal regulator will not send the filer a decision for a dual application or coordinated review application before the earlier of
- (a) the expiry of the opt-out period, or
  - (b) receipt from a non-principal regulator with whom the filer filed the application of the confirmation referred to in subsection (2).
- (6) If the principal regulator is not prepared to grant the exemption a filer sought in its dual application or the exemptive relief the filer sought in its coordinated review application based on the information before it, it will notify the filer and all non-principal regulators with whom the filer filed the application.
- (7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the non-principal regulators with whom the filer filed the application. After the hearing, the principal regulator will send a copy of the decision to the filer and all non-principal regulators with whom the filer filed the application.
- (8) A non-principal regulator electing to opt out will notify the filer, the principal regulator and any other non-principal regulator with whom the filer filed the application and give its reasons for opting out. The filer may deal directly with the non-principal regulator to resolve outstanding issues and obtain a decision without having to file a new application or pay any additional related fees. If the filer and non-principal regulator resolve all outstanding issues, the non-principal regulator may opt back into the dual review or coordinated review by notifying the principal regulator and the other non-principal regulators with whom the filer filed the application within the opt-out period referred to in subsection (2).

## **PART 8 DECISION**

### **8.1 Effect of decision made under passport application**

- (1) The decision of the principal regulator under a passport application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator. Under MI 11-102, a filer is automatically exempt from the equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption.
- (2) Except in the circumstances described in section 5.3(1) or (2) of this policy, the exemption is effective in each notified passport jurisdiction on the date of the principal regulator's decision (even if the regulator in the notified passport jurisdiction is closed on that date). In the circumstances described in section 5.3(1) of this policy, the exemption is effective in the relevant non-principal passport jurisdiction on the date the filer gives the notice under section 4.7(1)(c) or 4.8(1)(c) of MI 11-102 for that jurisdiction (even if the regulator in that jurisdiction is closed on that date).

### **8.2 Effect of decision made under dual application**

- (1) The decision of the principal regulator under a dual application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator. Under MI 11-102, a filer is automatically exempt from an equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption. The decision of the principal regulator under a dual application also evidences the OSC's decision, if the OSC has confirmed that it has made the same decision as the principal regulator.
- (2) The principal regulator will not issue the decision until the earlier of
  - (a) the date that the OSC confirms that it has made the same decision as the principal regulator, or
  - (b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

### **8.3 Effect of decision made under coordinated review application**

- (1) The decision of the principal regulator under a coordinated review application to grant exemptive relief from a provision of securities legislation in the principal jurisdiction is the decision of the principal regulator and evidences the decision of each non-principal regulator that has confirmed that it has made the same decision as the principal regulator.
- (2) The principal regulator will not issue the decision until the earlier of
  - (a) the date that the principal regulator has received confirmation from each non-principal regulator that it has made the same decision as the principal regulator, or
  - (b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

### **8.4 Listing non-principal jurisdictions**

- (1) For convenience, the decision of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4.7(1) of MI 11-102 is intended to be relied upon.
- (2) The decision of the principal regulator on a dual application or a coordinated review application will contain wording that makes it clear that the decision evidences and sets out the decision of each non-principal regulator that has made the same decision as the principal regulator.
- (3) For a coordinated review application for which Québec is not the principal jurisdiction, the AMF will issue a local decision concurrently with and in addition to the principal regulator's decision. The AMF decision will contain the same terms and conditions as the principal regulator's decision. No other local regulator will issue a local decision.

### **8.5 Form of decision**

- (1) Except as described in subsection (2), the decision will be in the form set out in:
  - (a) Annex A, for a passport application,

- (b) Annex B, for a dual application,
  - (c) Annex C, for a coordinated review application, or
  - (d) Annex D, for a hybrid application.
- (2) A principal regulator may issue a less formal decision where it is appropriate.
- (3) If the decision is to deny the exemptive relief, the decision will set out reasons.

**8.6 Issuance of decision** – The principal regulator will send the decision to the filer and to all non-principal regulators.

## **PART 9 EFFECTIVE DATE AND TRANSITION**

### **9.1 Effective date**

This policy comes into effect on March 17, 2008.

### **9.2 Exemptive relief applications filed before March 17, 2008**

The process set out in National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* will continue to apply to an exemptive relief application and any related pre-filing filed in multiple jurisdictions before March 17, 2008.

### **9.3 Availability of passport for exemptions applied for before March 17, 2008**

- (1) Section 4.8(1) of MI 11-102 provides that an exemption from the equivalent provision is automatically available in the local jurisdiction if
- (a) an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of MI 11-102,
  - (b) the regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and
  - (c) certain other conditions are met, including giving the required notice for the additional non-principal passport jurisdiction; refer to section 5.3 of this policy for information on where to give the required notice and what information the notice should contain.
- (2) A specified jurisdiction for purposes of section 4.8 of MI 11-102 is a principal jurisdiction under Multilateral Instrument 11-101 *Principal Regulator System*. Therefore, section 4.8(1) applies to an exemption from a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, which the principal regulator under that Instrument granted to a reporting issuer before March 17, 2008 if the exemption relates to a CD requirement that is now listed in Appendix D of MI 11-102. In this case, however, section 4.8(3) exempts a reporting issuer from having to give the notice required in section 4.8(1)(c). Refer to section 4.5 of the CP 11-102 for guidance on the effect of section 4.8 of MI 11-102.
- (3) For greater certainty, a filer may not rely on section 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.8 of MI 11-102 only in a passport jurisdiction.

**Annex A**

**Form of decision for passport application**

[Citation:[neutral citation]]

[Date of decision]]

In the Matter of  
the Securities Legislation of  
[name of principal jurisdiction] (the Jurisdiction)

and

In the Matter of  
**the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

In the Matter of  
**[name(s) of filer(s) and other relevant parties,  
including definitions as required]** (the Filer(s))

Decision

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for **[describe the exemption sought (the Exemption Sought ) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the **[name of the principal regulator]** is the principal regulator for this application, and
- (b) the Filer(s) has(have) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in **[names of non-principal passport jurisdictions]**.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

**Representations**

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

**[Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]**

**Decision**

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

**[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

**[If any exemption has an effective date after the date of the decision, state here.]**

\_\_\_\_\_

(Name of signatory for the principal regulator)

\_\_\_\_\_

(Title)

\_\_\_\_\_

(Name of principal regulator)

*(justify signature block)*

**Annex B**

**Form of decision for a dual application**

[Citation:[neutral citation]]

[Date of decision]]

In the Matter of  
the Securities Legislation of  
[name of principal jurisdiction] and Ontario (the Jurisdictions)

and

In the Matter of  
**the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

In the Matter of  
**[name(s) of filer(s) and other relevant parties,  
including definitions as required]** (the Filer(s))

Decision

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemption sought (the Exemption Sought) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) the [name of the principal regulator] is the principal regulator for this application,
- (b) the Filer(s) has(have) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [names of non-principal passport jurisdictions], and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

**Representations**

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

**[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]**

**Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:



[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

[If any exemption has an effective date after the date of the decision, state here.]

\_\_\_\_\_

(Name of signatory for the principal regulator)

\_\_\_\_\_

(Title)

\_\_\_\_\_

(Name of principal regulator)

*(justify signature block)*

**Annex C**

**Form of decision for coordinated review application**

[Citation:[neutral citation]]

[Date of decision]]

In the Matter of  
the Securities Legislation of  
[name of jurisdictions participating in decision] (the Jurisdictions)

and

In the Matter of  
**the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

In the Matter of  
**[name(s) of filer(s) and other relevant parties,  
including definitions as required]** (the Filer(s))

Decision

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemptive relief sought (the Exemptive Relief Sought) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the **[name of the principal regulator]** is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Terms defined in National Instrument 14-101 Definitions have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

**Representations**

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

**[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]**

**Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

**[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]**

**[If any exemptive relief has an effective date after the date of the decision, state here.]**

\_\_\_\_\_

(Name of signatory for the principal regulator)

\_\_\_\_\_

(Title)

\_\_\_\_\_

(Name of principal regulator)

*(justify signature block)*

Annex D

Form of decision for hybrid application

[Citation:[neutral citation]]

[Date of decision]]

In the Matter of  
the Securities Legislation of  
[name of principal jurisdiction (for a passport application), or of principal jurisdiction and Ontario (for a dual application), and name of each jurisdiction participating in coordinated review application decision]

and

In the Matter of  
**the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

In the Matter of  
[name(s) of filer(s) and other relevant parties,  
including definitions as required,] (the Filer(s))

Decision

**Background**

[If you are making a passport application, insert:]

The securities regulatory authority or regulator in \_\_\_\_\_ has received an application from the Filer(s) for a decision under the securities legislation of the jurisdiction of the principal regulator (the Legislation) for **[describe the exemption sought (the Passport Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

**OR**

[If you are making a dual application, insert:]

The securities regulatory authority or regulator in \_\_\_\_\_ and Ontario (Dual Exemption Decision Makers) have received an application from the Filer(s) for a decision under the securities legislation of those jurisdictions (the Legislation) for **[describe the exemption sought (the Dual Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

**AND**

[For your coordinated review application, insert:]

The securities regulatory authority or regulator in each of \_\_\_\_\_ (the Jurisdictions) (Coordinated Exemptive Relief Decision Makers) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemptive relief sought (the Coordinated Exemptive Relief) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

- (a) the [name of the principal regulator] is the principal regulator for this application,
- (b) the Filer(s) has(ve) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in [names of non-principal passport jurisdictions],
- (c) the decision is the decision of the principal regulator, [if you are making a dual application, insert: “and the decision evidences the decision of the securities regulatory authority or regulator in Ontario,”] and
- (d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

**Interpretation**

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

**Representations**

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

**[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer’s head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]**

**Decision**

Each of the principal regulator **[if you are making a dual application, insert: “, the securities regulatory authority or regulator in Ontario,”]** and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

**[If you are making a passport application, insert:]**

The decision of the principal regulator under the Legislation is that the Passport Exemption is granted provided that:

**[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

**OR**

**[If you are making a dual application, insert:]**

The decision of the Dual Exemption Decision Makers under the Legislation is that the Dual Exemption is granted provided that:

**[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

**AND**

**[For your coordinated application, insert:]**

The decision of the Coordinated Review Decision Makers under the Legislation is that the Coordinated Exemptive Relief is granted provided that:

**[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]**

**[If any exemption or exemptive relief has an effective date after the date of the decision, state here.]**

\_\_\_\_\_ (Name of signatory for the principal regulator)  
\_\_\_\_\_ (Title)  
\_\_\_\_\_ (Name of principal regulator)  
*(justify signature block)*

## SCHEDULE J

**MULTILATERAL INSTRUMENT 11-102 PASSPORT SYSTEM  
NATIONAL POLICY 11-202  
PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS  
AND  
NATIONAL POLICY 11-203  
PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS**

### LIST OF COMMENTERS

1. Jean-François G. Labbé, MBA, CFA,<sup>1</sup>  
Planificateur financier, Investia Services Financiers Inc.
2. Fédération des caisses Desjardins du Québec<sup>2</sup>
3. Trust Banque Nationale<sup>3</sup>
4. Independent Financial Brokers
5. Legal Advisory Committee to the Autorité des marchés financiers
6. Edward Jones
7. Raymond James<sup>4</sup>
8. IGM Financial<sup>5</sup>
9. Investment Industry Association of Canada
10. TSX Group<sup>6</sup>
11. Investment Funds Institute of Canada
12. BMO Nesbitt Burns inc., Private Client Division
13. Canadian Bankers Association
14. BC Investment Management Corporation<sup>7</sup>
15. Borden, Ladner, Gervais – Toronto Securities and Capital Markets practice group<sup>8</sup>
16. Investment Dealers Association of Canada (IDA)
17. Canadian Coalition for Good Governance<sup>9</sup>

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<sup>1</sup> Comment letter addressed to the Autorité des marchés financiers.

<sup>2</sup> Comment letters addressed to the Autorité des marchés financiers.

<sup>3</sup> Comment letter addressed to the Autorité des marchés financiers.

<sup>4</sup> Comment letter addressed to passport jurisdictions and OSC in response to OSC Notice 11-904 *Request for Comment Regarding the Proposed Passport System*.

<sup>5</sup> Comment letter addressed to passport jurisdictions and similar letter sent to the OSC in response to OSC Notice 11-904 *Request for Comment Regarding the Proposed Passport System*.

<sup>6</sup> Comment letter addressed to passport jurisdictions and OSC in response to OSC Notice 11-904 *Request for Comment Regarding the Proposed Passport System*.

<sup>7</sup> Comment letter addressed to British Columbia Securities Commission.

<sup>8</sup> Comment letter addressed to passport jurisdictions and OSC in response to OSC Notice 11-904 *Request for Comment Regarding the Proposed Passport System*.

<sup>9</sup> Comment letter sent to passport jurisdictions and OSC in response to OSC Notice 11-904 *Request for Comment Regarding the Proposed Passport System*.

## SUMMARY OF COMMENTS AND RESPONSES

MI 11-102 PASSPORT SYSTEM  
(MI 11-102)

Comments			
#	Themes	Comments	Responses
1.	<b>Passport System – General</b>	<p>The passport regulators received 17 comment letters on the passport system.</p> <p>Of these 15 expressed support for a variety of reasons, including that the passport system would reduce the regulatory burden, improve regulatory efficiency, streamline regulatory decision-making and generally simplify the securities regulatory regime while adequately protecting investors. Many indicated passport was a step in the right direction while noting that their ultimate preference is a national regulator.</p> <p>Two commenters did not support the passport system. They think that Canada needs a single securities regulator to simply the regulatory system and provide maximum benefits to market participants.</p>	<p>MI 11-102 implements the second phase of the passport initiative contemplated in the Provincial/Territorial Memorandum of Understanding regarding Securities Regulation (Passport MOU). The objective of the Passport MOU is to set up a system that gives a single window of access to market participants in areas where securities laws are already highly harmonized or could be harmonized quickly.</p> <p>The structural changes suggested by some of the commenters as their ultimate preference for Canada's securities regulatory system are not within the powers of securities regulators to consider. However, the passport regulators and the OSC are continuing to work to harmonize and streamline securities legislation and requirements across jurisdictions and to implement the interfaces and administrative and other processes necessary to make the Canadian securities regulatory system more efficient and effective.</p> <p>See item 2 below for the response on the issues related to Ontario's decision not to participate in the passport system.</p>
2.	<b>Ontario's non-participation in passport</b>	<p>Six commenters expressed views on Ontario's decision not to participate in the passport system.</p> <p>Two commenters were disappointed that the Ontario government and the OSC are declining to participate in passport. They urged them to reconsider their position.</p> <p>Half the commenters thought that, without Ontario, the passport system would not work, should not proceed, or its benefits would be substantially reduced. They invoked several reasons, including that</p> <ul style="list-style-type: none"> <li>• market participants would have to contend with two systems</li> <li>• the regulatory system would be more complicated than it is now</li> <li>• market participants in the passport jurisdictions would have an unfair advantage</li> </ul>	<p>The OSC is not adopting MI 11-102, but CSA is implementing the passport system and interfaces that make the securities regulatory system as efficient and effective as possible in the circumstances for all market participants who want to gain access to the capital markets in both passport jurisdictions and Ontario. The OSC has participated in developing the interfaces between the passport jurisdictions and Ontario.</p> <p>See item 3 below for more details on the interface with Ontario.</p>
3.	<b>Interface with Ontario</b>	<p>Twelve commenters expressed views on the proposal to repeal the existing mutual reliance review systems (MRRS) and national registration system (NRS) and the lack of interface with Ontario.</p>	<p>The passport regulators designed the proposed passport system for adoption by all Canadian securities regulatory authorities to show how the system could operate to streamline Canadian securities regulation. On</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
		<p>Most commenters disagreed with the passport jurisdictions' proposal if Ontario does not participate in passport. Three said passport should not proceed in those circumstances or without the involvement of Ontario.</p> <p>Most commenters thought the regulators should maintain MRRS and NRS or provide similar mechanisms to ensure that market participants do not lose the benefits those systems provide, or that no one, inside or outside Ontario, is disadvantaged. Two commenters suggested incorporating the improvements of passport into MRRS and NRS.</p>	<p>that basis, we proposed repealing MRRS (except to deal with a few types of exemptive relief applications) and NRS because the passport system would have replaced them. When we published the passport system for comment, we did not address what would happen if a jurisdiction did not adopt it.</p> <p>As indicated above, passport regulators are implementing the passport system even though the OSC is not adopting MI 11-102. However, to make the system as efficient and effective as possible in the circumstances for all market participants who want to gain access to the capital markets in both passport jurisdictions and Ontario, passport regulators and the OSC worked together to develop interfaces between the passport jurisdictions and Ontario.</p> <p>On August 31, 2007, CSA published a Notice and Request for Comment on proposed National Policy 11-202 <i>Process for Prospectus Reviews in Multiple Jurisdictions</i> (NP 11-202) and National Policy 11-203 <i>Process for Exemptive Relief Applications in Multiple Jurisdictions</i> (NP 11-203). The policies replace the MRRS policies for prospectuses and exemptive relief applications. They set out the processes for making regulatory decisions in multiple jurisdictions for market participants based in passport jurisdictions and in Ontario. They maintain the processes in the current MRRS system to give market participants in passport jurisdictions coordinated access to Ontario and give Ontario market participants direct access to passport jurisdictions.</p> <p>CSA received three comment letters on NP 11-202 and NP 11-203 (the proposed policies). The commenters generally supported the proposed policies and provided some technical and other comments. See items 21 and following below for a summary of the comments on these policies and our responses.</p> <p>CSA is adopting NP 11-202 and NP 11-203 at the same time as the passport jurisdictions are adopting MI 11-102.</p>
4.	<b>Harmonized requirements</b>	<p>Five commenters said that harmonized requirements were critical to the proper functioning of the passport system. Most of them noted that the rules should be the same regardless of the location of the market participant and asked that differences be resolved.</p> <p>Most of them also said that market participants operating in more than one</p>	<p>CSA has been working cooperatively for many years on harmonizing securities requirements and has developed national instruments and policies in many regulatory areas. For example, CSA has already implemented national continuous disclosure requirements for investment funds and other reporting issuers.</p>



<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
		<p>jurisdiction should only be subject to harmonized requirements. Others noted the challenges that lie ahead to complete the harmonization projects necessary to implement the proposed passport system at both the CSA and government levels.</p> <p>Some made more specific comments, including the following:</p> <ul style="list-style-type: none"> <li>• One commenter suggested CSA should have a rule generating body to make recommendations to commissions and provincial governments for rule changes applicable across the country.</li> <li>• Another suggested that CSA and governments adopt mechanisms other than consensus to govern how CSA makes or amends national rules before finalizing the passport system. The mechanisms should include a formal agreement to minimize local 'opt-outs' and local regulation and an agreement on the specific and very limited circumstances when local regulations would be considered necessary. Another suggested the mechanism for making or amending existing harmonized laws be transparent.</li> <li>• Two commenters noted that an unintended consequence of having non-harmonized requirements is that small issuers raising capital only in one province may be subject to potentially more onerous requirements than those raising capital in two or more.</li> <li>• One commenter noted that much of securities regulation is outside the scope of the passport system, e.g., the prospectus and registration exemption regime, insider reporting, take-over bid regulation, early warning reporting, civil remedies, trading rules etc. and thought the passport system should address all regulatory instruments.</li> <li>• Two commenters suggested that CSA should also work together and with provincial governments, in appropriate cases, to harmonize their rule-making procedures, enforcement powers, compliance procedures and SRO oversight regimes.</li> <li>• A last commenter expressed concern about the fact that under the passport system, cancellations, amendments, revocations or other changes to terms and conditions of registration could vary across jurisdictions because any existing</li> </ul>	<p>A key foundation for the passport system is a set of nationally harmonized regulatory requirements. Therefore, the passport regulators are implementing the passport system for prospectuses, continuous disclosure and exemptive relief applications at the same time as CSA is implementing National Instrument 41-101 <i>General Prospectus requirements</i>.</p> <p>CSA is also harmonizing securities regulations in other areas. For example, the passport regulators have announced that we expect to implement Multilateral Instrument 62-104 <i>Take-Over Bids and Issuer Bids</i> on February 1, 2008. The OSC has requested that amendments to Part XX of the Ontario <i>Securities Act</i> and OSC Rule 62-504 <i>Take-Over Bids and Issuer Bids</i> come into force on February 1, 2008. These rules and act amendments harmonize the take-over bid and issuer bid requirements in all jurisdictions. CSA is working on other harmonization initiatives, e.g., insider reporting requirements.</p> <p>CSA developed processes to avoid undue delay and resolve differences of view among jurisdictions as we work on harmonization and other projects. For instance, CSA project committees elevate contentious issues to the CSA's Policy Coordination Committee (PCC) for resolution as they arise.</p> <p>The rule-making process is a local process that varies from jurisdiction to jurisdiction. In the passport MOU, Ministers agreed to make best efforts to achieve and maintain a high degree of harmonization in securities legislation.</p> <p>CSA recognizes that local issuers or registrants may be subject to different or additional non-harmonized requirements than those operating or offering securities in more than one jurisdiction. In every project we undertake, we work to eliminate or harmonize remaining non-harmonized requirements. We also consider the impact unique local requirements would have on local market participants.</p> <p>Some CSA jurisdictions have proposed to their governments a number of legislative changes to harmonize our enforcement powers. For example, the legislature in many jurisdictions have adopted or governments are considering a provision that would enable the securities regulator to reciprocate an enforcement order made by a court or securities regulatory authority or a settlement agreement reached in another Canadian or a</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
		<p>terms and conditions imposed by a non-principal regulator through a settlement or decision made before passport would continue to apply only in the non-principal jurisdiction.</p>	<p>foreign jurisdiction.</p> <p>The passport system for discretionary exemptions covers discretionary exemptions from harmonized requirements in most areas of regulation (e.g., take-over bids and insider reporting, as well as prospectus, continuous disclosure and registration). NP 11-203 sets out the process for making regulatory decisions on discretionary exemption applications made in multiple jurisdictions for filers in passport jurisdictions and in Ontario. It also includes a process modelled on MRRS for exemptive relief applications that fall outside the scope of MI 11-102.</p> <p>As part of our work to implement the passport system and the proposed policies, CSA assessed the risks of the system, and developed and are implementing processes and procedures to mitigate those risks. Before implementation, we focused our efforts on ensuring consistency in decision-making among passport jurisdictions. We are now reviewing our compliance review processes in the relevant areas to ensure consistent application of harmonized requirements across jurisdictions.</p> <p>We will respond to the last comment, which specifically relates to registration, when we finalize passport for registration.</p>
5.	<b>Consistency in application and interpretation under passport system</b>	<p>Six commenters noted the importance of CSA members providing uniform interpretation and application of securities legislation. Some also suggested making the practices and procedures the CSA implements to achieve that result transparent.</p>	<p>CSA agrees that it is important to apply and interpret harmonized securities legislation consistently under the passport system. As mentioned in response to item 4 above, as part of our work to implement the passport system and the proposed policies, CSA assessed the risks of the system. CSA developed and we are implementing processes and procedures to mitigate this type of risk in relevant areas while ensuring that we maintain the increased efficiencies of the securities regulatory system for market participants.</p> <p>In addition, we put in place a training program to ensure staff are familiar with the passport system and the proposed policies and we conduct regular training on the interpretation and application of harmonized requirements.</p> <p>Finally, we reviewed our processes and procedures for continuous disclosure reviews to ensure that we have mechanisms in place to produce consistent review outcomes across CSA jurisdictions.</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
6.	<b>Consultation among passport jurisdictions</b>	<p>One commenter noted that there is a risk, under passport, that regulators will take a different approach to the same issue without consultation among regulators before making a decision. However, the commenter acknowledged that entrenching consultation among regulators would create regulatory paralysis and make the system less efficient than it is today.</p> <p>Another commenter asked that there not be a mandatory requirement for the principal regulator to consult with a non-principal regulator before making a registration-related decision.</p>	<p>As mentioned in response to item 4 above, as part of our work to implement the passport system and the proposed policies, CSA assessed the risks of the system. CSA developed and we are implementing processes and procedures in relevant areas to mitigate this type of risk while ensuring that we maintain the increased efficiencies of the securities regulatory system for market participants.</p> <p>We will respond to this comment when we finalize passport for registration.</p>
7.	<b>Inherent complexities of the passport system</b>	<p>One commenter said that, while the instrument itself is relatively simple, the companion policy contains 44 pages of details and five appendices. It will be difficult for regulators to keep the details up to date. The companion policy also contains mandatory language that more properly belongs in the instrument.</p>	<p>The passport regulators streamlined the companion policy and moved much of the guidance to the proposed policies (e.g., the guidance on principal regulator and the appendices that described the administrative processes for each passport area). The remaining guidance expands on many of the provisions of the rule to assist market participants.</p>
8.	<b>Discretionary change of principal regulator</b> (sections 3.2, 4.8 and 5.3 of MI 11-102)	<p>One commenter requested guidance on the circumstances in which a securities regulator would initiate a change in principal regulator and noted that a market participant should receive notice of the securities regulator's intention to exercise its discretion and have an opportunity to respond and make submissions as to why this should not happen.</p>	<p>The guidance on principal regulator is now in NP 11-202 and NP 11-203. The proposed policies provide that the principal regulator will consult with the filer and the appropriate regulator if it wants to initiate a change in principal regulator.</p>
9.	<b>Fees</b>	<p>Four commenters suggested eliminating or reducing fees in non-principal jurisdictions under passport because they believe that non-principal regulators will do no work or less work under passport. One commenter acknowledged that fees support the entire regulatory system and suggested that market participants pay all fees to the principal regulator. Another commenter recommended against that approach for registered firms.</p>	<p>The proposed passport system maintains the status quo with respect to fees for prospectuses and registration. It extends the benefit given to reporting issuers who sought an exemption from continuous disclosure requirements under Multilateral Instrument 11-101 <i>Principal Regulator System</i> to all discretionary application exemptions. MI 11-102 requires a market participant to pay fees for a discretionary exemption application only in its principal jurisdiction.</p> <p>The Passport MOU contemplates a review of fees to assess whether to change them so they are more consistent with the objectives of the passport system. The Council of Ministers under the Passport MOU asked CSA to review the fee structure of its members and propose changes to the Ministers. CSA has initiated this project and will report to the Ministers.</p> <p>We will respond to the comment relating to the collection of fees for firm registration, when we finalize passport for registration.</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
10.	<b>Cost benefit analysis (CBA)</b>	Two commenters suggested that CSA do a cost-benefit analysis about the passport system given Ontario's non-participation.	The passport regulators, working with the OSC, developed interfaces for Ontario market participants who want to access the capital markets of passport jurisdictions, and for market participants in passport jurisdictions who want access to the Ontario capital market. The interfaces make the securities regulatory system as efficient and effective as possible in the circumstances for all market participants who want to gain access to the capital markets in both passport jurisdictions and Ontario.
11.	<b>Re-publication of passport for comment</b>	Two commenters suggested republishing the passport system for comment with or after the underlying harmonized rules are in place and once the regulators have developed an interface for Ontario market participants. Otherwise, market participants would be commenting on an incomplete proposal.	<p>It is important for market participants to understand how the passport system will work in light of Ontario's decision not to adopt MI 11-102. Consequently, we published for comment NP 11-202 and 11-203. See items 21 and following below for a summary of the comments on these policies and our responses.</p> <p>We have not made material changes to MI 11-102 to implement the interfaces between the passport jurisdictions and Ontario. For that reason, we did not republish it for comment.</p> <p>As is our usual practice, we published for comment the harmonized rules underlying the passport system.</p>
12.	<b>Operational constraints for regulators</b>	One commenter thought that the passport system would increase the need for the regulators to have staff with appropriate financial market and product expertise and suggested regulators focus on allocating resources appropriately to prevent an escalation in costs.	As mentioned in response to item 4 above, as part of our work to implement the passport system, CSA jurisdictions assessed the risks of the system. CSA developed and we are implementing processes and procedures in relevant areas to mitigate this type of risk while ensuring that we maintain the increased efficiencies of the securities regulatory system for market participants.
13.	<b>National Registration Database (NRD)</b>	<p>One commenter said that regulators should postpone developing passport for registration or implementing major changes to NRD until the regulators have finalized all their registration-related proposals.</p> <p>Another commenter recommended that CSA not implement the passport rule until it makes changes to NRD because, otherwise, regulators will have to put in place burdensome administrative workarounds and the accuracy of the data on NRD will be compromised. This commenter added that for the passport system to work, all regulators should record any detrimental information relating to an individual on NRD.</p>	<p>CSA is working to ensure that the passport for registration and proposed National Instrument 31-103 <i>Registration Requirements</i> (NI 31-103) will work together to provide an efficient system of regulation.</p> <p>CSA expects to publish a proposed policy for registration in due course and will work with the IDA to accommodate passport and the interfaces on NRD.</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
14.	<b>Registration implementation issues if Ontario does not adopt MI 11-102</b>	<p>Two commenters asked specific questions about implementing the passport system for registration without Ontario:</p> <ul style="list-style-type: none"> <li>• Could an individual whose firm has its head office in Ontario participate in passport?</li> <li>• If so, which regulator would act as principal regulator for the individual and could the firm have a principal regulator in each jurisdiction where it has representatives?</li> <li>• How will opting in and opting out of passport work for a firm whose head office and a majority of its representatives are in Ontario? If a firm cannot participate because of the location of its head office, will it have to file any documentation?</li> <li>• If a firm opts-out and Ontario decides to join passport, will the firm have the opportunity to revisit its decision?</li> <li>• How would NRD be updated to reflect the automatic registration process under the passport system? How will the system be different especially in light of the fact the Ontario residents will not be able to participate in passport?</li> <li>•</li> </ul>	<p>We will respond to these questions when we finalize passport for registration.</p>
15.	<b>Transition issues for registration</b>	<p>Two commenters submitted that the 30-day transition period proposed for firms to opt out of the passport system is too short and should be at least 180 days.</p>	<p>We will respond to this comment when we finalize passport for registration.</p>
16.	<b>Technical registration issues</b>	<p>One commenter raised several technical registration issues about</p> <ul style="list-style-type: none"> <li>• the information an individual should provide on NRD to register in additional jurisdictions</li> <li>• whether the IDA will continue to approve individuals before they are registered by their principal regulator in the jurisdictions that do not delegate registration to the IDA</li> <li>• the meaning of the phrase “date on which the filing is made” on Form 11-102F1</li> <li>• where to request a hearing when the IDA registers firms or individuals in a jurisdiction</li> <li>•</li> </ul>	<p>We will respond to these comments when we finalize passport for registration.</p>
17.	<b>Delegation of registration to self-regulatory organizations (SROs)</b>	<p>Three commenters suggested all CSA members should consider delegating their registration function to the IDA to ensure a single point of contact in every jurisdiction and a common and consistent approach.</p>	<p>We will respond to these comments when we finalize passport for registration.</p>

<b>Comments</b>			
<b>#</b>	<b>Themes</b>	<b>Comments</b>	<b>Responses</b>
18.	<b>Mobility exemption</b>	One commenter said the decision to retain the limits on the number of eligible clients a firm or individual may service under the mobility exemption is inconsistent with the principles of the passport system. Also, the limits are too low and the cost of compliance too high, which means dealers will choose to register instead of using the exemption.	CSA published a revised mobility exemption in proposed NI 31-103. The purpose of the exemption is to provide relief on a <i>de minimis</i> basis to a firm or individual whose clients move to another jurisdiction. On that basis, if the number of clients in the non-principal jurisdiction exceeds the limit set out in the exemption, we consider the registrant's level of activity in the jurisdiction to be sufficient to warrant registration. Passport for registration will allow firms and individuals to register in multiple jurisdictions by dealing only with their principal regulator.
19.	<b>Cease-trade orders (CTOs)</b>	One commenter encouraged CSA to include in the national instrument a system to treat CTOs consistently across the country. Specifically, the commenter sought guidance on how to comply with CTOs issued in one or more Canadian jurisdictions, but not all of them.	CSA is developing a proposed national policy on CTOs to harmonize the procedures for issuing CTOs. We will consider this comment in developing the proposed policy.
20.	<b>Publication of national instruments on CSA website</b>	One commenter urged CSA to publish national and proposed national rules and policies on the CSA website instead of on each regulator's website.	CSA initiated a project to determine how best to use our website. As part of this review, we will consider whether our website should contain national instruments and policies.

**NP 11-202 AND NP 11-203  
(PROPOSED POLICIES)**

21.	<b>Proposed policies - General</b>	<p>CSA received three comment letters on the proposed policies. The three commenters supported the proposed interfaces with Ontario.</p> <p>One said it was time to move forward with passport to allow the system to show its potential. The commenter continues to hope the Ontario government and the OSC will adopt passport.</p> <p>Another said that a common regulator would create a more efficient and effective regulatory system, but encouraged Ontario to become a full participant in passport to support the momentum for reform of regulatory content and structure.</p> <p>The last commenter urged CSA to address the un-level playing field between Ontario and passport jurisdiction market participants as soon as possible. This commenter was concerned that the proposed interfaces did not provide Ontario with any incentive to reconsider its position and adopt passport.</p>	<p>The proposed interfaces with Ontario make the securities regulatory system as efficient and effective as possible in the circumstances for all market participants who want to gain access to the capital markets in both passport jurisdictions and Ontario. The changes to the regulatory structure suggested by one commenter are not within the powers of securities regulators to consider.</p>
22.	<b>Proposed policies – Two-year review</b>	<p>One commenter thought the CSA’s plan to review the direct access to passport for Ontario market participants two years after the implementation of passport is reasonable. The commenter is confident it will show the effectiveness of the system and that this should convince Ontario to adopt passport.</p> <p>Another commenter was concerned that the review of the interfaces two years after the implementation of passport introduces an element of uncertainty and encouraged CSA to develop a permanent solution that all jurisdictions support.</p>	<p>The passport jurisdictions plan to review the direct access provided to Ontario market participants in due course and continue to work with the OSC to make the regulatory system as effective and efficient as possible in the circumstances.</p>
23.	<b>Proposed policies - Fees</b>	<p>One commenter recommended that CSA requires issuers to pay prospectus filing fees only to their principal regulator (and the OSC for passport jurisdiction issuers). The commenter acknowledged that these fees are an important source of revenue for regulators and its recommendation may disrupt the functioning of the regulatory framework and suggested CSA consider this as part of its planned two-year review of the passport interfaces.</p>	<p>The Passport MOU contemplates a review of fees to assess whether to change them so they are more consistent with the objectives of the passport system. The Council of Ministers under the Passport MOU asked CSA to review the fee structure of its members and propose changes to the Ministers. CSA has initiated this project and will report to the Ministers.</p>

24.	<b>Transparency</b>	<p>One commenter requested CSA to</p> <ul style="list-style-type: none"> <li>• provide details of the mechanisms it will utilize to monitor the effectiveness of the interfaces, and</li> <li>• consult with market participants on the strategies to mitigate the risk of inconsistent interpretation and application of harmonized law.</li> </ul> <p>The commenter specifically suggested CSA create a precedent database to ensure consistent treatment of novel and substantive issues.</p>	<p>Up to now, CSA focused our efforts on establishing appropriate processes and procedures to implement the passport system and the interfaces and to mitigate the risks of the system. We will be considering the need to develop mechanisms to evaluate the effectiveness of passport and the interfaces as we implement passport.</p> <p>We plan to create an internal precedent database to ensure consistent interpretation and application of harmonized law, but view this as a longer-term objective. In the meantime, we are implementing other mechanisms in relevant areas to mitigate this risk while ensuring that we maintain the increased efficiencies of the securities regulatory system for market participants.</p>
25.	<b>Proposed policies – review of dual application for discretionary relief</b>	<p>One commenter was concerned that, in a dual application under NP 11-203, the principal regulator would have to consider the comments of any non-principal regulator with which the filer files the application (s. 6.2(1)) and each of those non-principal regulators would be able to opt-out of the dual review (s. 7.2(2)). The commenter recommended making clear that only the principal regulator and the OSC would review the application and only the OSC could opt-out of a dual application review.</p>	<p>Section 5.2(2) of NP 11-203 makes it clear that a filer making a dual application has to file the application only with the principal regulator and the OSC. Therefore, in the context of a dual application, the reference to the “non-principal regulator with which the filer filed the application” are references to the OSC only. We will establish a better connection between these provisions to ensure there is no confusion.</p>
26.	<b>NP 11-202 – Technical comments</b>	<p>One commenter recommended:</p> <ul style="list-style-type: none"> <li>• requiring the principal regulator to review and respond to an application for a change of principal regulator within the 30-day period.</li> <li>• including language to the effect that, for a mutual fund prospectus, it is not necessary for the filer to confirm in its cover letter that at least one underwriter has signed the certificate page of the prospectus.</li> <li>• deleting the requirement for the principal regulator to issue a second receipt for a dual prospectus evidencing that the OSC has issued its receipt for the prospectus when the OSC is closed on the day the principal regulator issued its receipt.</li> <li>• clarifying whether a filer that needs to identify another principal regulator for a pre-filing or waiver application because it does not require the relief from its principal regulator should request a discretionary change in principal regulator and whether the filer can file the related prospectus materials with the principal regulator for the pre-filing or waiver application.</li> </ul>	<ul style="list-style-type: none"> <li>• We will clarify that the regulators will use best efforts to resolve a request filed on a timely basis within 30 days of receiving it.</li> <li>• We will clarify in Parts 7 and 10 that the filer only has to provide the confirmation when an underwriter’s certificate is required.</li> <li>• The OSC needs to be open for a receipt to be issued on its behalf for a preliminary prospectus, prospectus or amendment.</li> <li>• We will clarify in section 4.5 of MI 11-102 that, if a filer does not require an exemption in its principal jurisdiction, the filer does not have to request a discretionary change of principal regulator for the waiver application. The filer’s principal regulator will be the securities regulatory authority or regulator in the specified jurisdiction where the filer is seeking the exemption and has the most</li> </ul>



		<p>In addition, the commenter asked whether a waiver applications under National Instrument 81-102 <i>Mutual Funds</i> (NI 81-102) should be included in Appendix A.</p>	<p>significant connection. The filer will deal with its usual principal regulator for the related prospectus.</p> <p>It would not be appropriate to include applications for discretionary exemptions under NI 81-102 in Appendix A of NP 11-202. These applications are covered by Part 4 of MI 11-102 and guidance is in NP 11-203.</p>
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## Chapter 7

# Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
01/01/2007 to 10/01/2007	18	Adaly Opportunity Fund - Limited Partnership Units	6,100,000.00	3,230.86
09/24/2007	1	Advanced Explorations Inc. - Common Shares	242,000.00	200,000.00
10/16/2007	29	Advanced Explorations Inc. - Units	4,972,099.30	3,429,034.00
01/03/2008	3	Aldershot Resources Ltd. - Common Shares	40,000.00	200,000.00
12/19/2007	28	American Bonanza Gold Mining Corp. - Units	2,006,800.00	5,017,000.00
11/15/2007	21	Archon Minerals Limited - Flow-Through Shares	4,269,450.00	225,000.00
12/20/2007	2	ArcScan Inc. - Units	600,000.00	600,000.00
12/27/2007	15	Armistice Resources Ltd. - Units	3,320,280.30	4,648,286.00
01/04/2008	4	Asia Enterprise III Offshore L.P. (AE III) - Units	1,491,750.00	1,500.00
10/05/2007 to 12/07/2007	1	Barlow Partners Growth Portfolio - Units	6,000.00	624.79
01/18/2008	1	Bayfield Ventures Corp. - Common Shares	5,500.00	10,000.00
12/28/2007	12	BCGold Corp. - Units	1,277,500.00	2,555,000.00
12/31/2007	5	Black Bore Resources Ltd. - Flow-Through Shares	84,495.00	39,300.00
01/11/2008	20	British Columbia Ferry Services Inc. - Bonds	200,000,000.00	N/A
01/10/2008	14	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	321,046.00	321,046.00
12/28/2007	17	Canadian Phoenix Resources Corp. - Common Shares	17,888,951.00	N/A
01/10/2008	6	Canstore Self Storage LP - Limited Partnership Units	12,300,000.00	12,300,000.00
10/24/2007	86	Capital Wapiti Inc. - Units	8,282,500.00	16,565,000.00
01/10/2008 to 01/11/2008	19	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,137,760.00	1,137,760.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/10/2008	4	CareVest First Mortgage Investment Corporation - Preferred Shares	319,155.00	319,155.00
12/11/2007	9	Century Mining Corporation - Common Shares	2,800,000.00	5,600,000.00
12/14/2007	26	CESC Limited - Common Shares	152,369,385.00	9,560,000.00
11/22/2007	230	CGA Mining Limited - Common Shares	64,621,000.00	N/A
12/21/2007	41	Churchill Energy Inc. - Common Shares	1,482,110.00	2,862,500.00
01/14/2008 to 01/18/2008	11	CMC Markets Canada Inc. - Contracts for Differences	99,490.00	11.00
01/08/2008	31	Condor Petroleum Inc. - Common Shares	2,987,500.00	5,975,000.00
01/09/2008	88	Cooper Pacific II Mortgage Investment Corporation - Common Shares	1,426,733.00	1,426,733.00
01/09/2008	58	Cooper Pacific Mortgage Investment Corporation - Common Shares	671,172.00	681,172.00
12/31/2007	2	CTI Palos Equity Fund LP - Units	232,028.00	19,889.44
12/21/2007	41	Diamondex Resources Ltd. - Flow-Through Shares	5,000,000.00	N/A
12/21/2007	76	Eagle Plains Resources Ltd. - Common Shares	3,533,810.00	N/A
12/21/2007	10	Eagle Plains Resources Ltd. - Non-Flow Through Units	115,800.00	193,000.00
01/09/2008 to 01/16/2008	6	Edgeworth Mortgage Investment Corporation - Preferred Shares	195,000.00	19,500.00
12/31/2007	9	Emerick Resources Corp. - Warrants	474,798.54	N/A
10/10/2007	10	Enchanced Oil Resources Inc. - Units	1,714,080.00	9,285,600.00
06/14/2006	2	Enerworks Inc. - Debentures	255,321.84	N/A
03/23/2006	1	Enerworks Inc. - Debentures	478,428.00	N/A
01/15/2008	1	Everett Resources Ltd. - Common Shares	17,000.00	50,000.00
01/07/2008	1	Excalibur Limited Partnership - Limited Partnership Units	502,550.00	1.74
01/07/2008	1	Excalibur Small-Cap Opportunities LP - Limited Partnership Units	3,724,231.20	50.23
01/02/2007 to 09/01/2007	2	Fairlane Canadian Fund LP - Limited Partnership Units	4,777,078.00	4,741.62

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/02/2007 to 09/01/2007	3	Fairlane Global Arbitrage Fund L.P. - Limited Partnership Units	2,150,000.00	2,080.80
01/02/2007 to 09/01/2007	12	Fairlane Growth Fund - Trust Units	1,174,180.00	64,156.42
09/01/2007	1	Fairlane Partners Fund LP - Limited Partnership Units	300,000.00	246.89
01/02/2007 to 06/01/2007	4	Fairlane Short Term Bond Fund - Trust Units	1,950,000.00	129,153.72
12/27/2007	1	First Leaside Advantage Limited Partnership - Limited Partnership Interest	26,874.11	27,350.00
12/27/2007 to 12/31/2007	13	First Leaside Entities Limited Partnership - Limited Partnership Interest	1,512,868.00	1,512,868.00
12/28/2007 to 12/31/2007	2	First Leaside Expansion Limited Partnership - Limited Partnership Interest	40,000.00	40,000.00
01/07/2008	2	First Leaside Expansion Limited Partnership - Notes	243,900.00	243,900.00
01/08/2008	2	First Leaside Fund - Trust Units	72,503.00	72,503.00
01/08/2008	1	First Leaside Fund - Trust Units	3,452.16	3,457.00
01/07/2008	1	First Leaside Properties Fund - Trust Units	62,000.00	62,000.00
12/27/2007	2	First Leaside Properties Limited Partnership - Limited Partnership Interest	53,748.22	54,700.00
12/27/2007 to 12/31/2007	8	First Leaside Select Limited Partnership - Limited Partnership Interest	716,989.39	729,833.00
01/03/2008	0	First Leaside Unity Limited Partnership - Notes	0.00	8,976.00
01/14/2008	1	First Leaside Unity Limited Partnership - Notes	20,000.00	20,000.00
12/27/2007 to 12/31/2007	10	First Leaside Visions Limited Partnership - Limited Partnership Interest	455,000.00	455,000.00
12/31/2007	2	First Leaside Wealth Management Inc. - Special Shares	98,985.00	98,985.00
12/31/2007 to 01/09/2008	160	Fisgard Capital Corporation - Common Shares	6,494,858.99	5,766,821.00
11/29/2007	4	Fletcher Nickel Inc. - Flow-Through Shares	2,000,000.00	2,857,141.00
09/28/2007	3	Fletcher Nickel Inc. - Units	330,400.00	472,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/31/2007 to 12/31/2007	119	Formula Growth Hedge Fund - Units	15,564,117.88	1,477,397.77
10/30/2007	4	Full Cycle Energy Concentrated Limited Partnership - Units	800,000.00	N/A
04/30/2007 to 09/30/2007	45	Full Cycle Energy Limited Partnership I - Units	10,715,000.00	N/A
01/09/2008	1	Gamble Street East - Common Shares	144,000.00	800,000.00
12/24/2007 to 01/04/2008	79	Garson Gold Corp. - Flow-Through Shares	5,871,982.00	N/A
01/08/2008	387	Gateway Village II Limited Partnership - Limited Partnership Units	15,837,500.00	N/A
01/07/2008 to 01/11/2008	32	General Motors Acceptance Corporation of Canada, Limited - Notes	11,005,915.95	11,005,915.95
11/23/2007	1	Goldbrook Ventures Inc. - Flow-Through Units	279,500.00	650,000.00
11/19/2007 to 11/28/2007	68	Golden Predator Mines Inc. - Units	35,155,000.00	17,577,402.00
01/07/2008 to 01/15/2008	21	Golden Predator Mines Inc. - Units	5,645,000.00	2,822,000.00
12/17/2007	1	Goldgroup Resources Inc. - Common Shares	100,000.00	N/A
12/21/2007	14	Goldmember Minerals Inc. - Units	2,549,999.80	N/A
12/14/2007 to 12/21/2007	108	Halo Resources Ltd. - Flow-Through Shares	3,498,977.25	4,519,563.00
12/28/2007	14	Happy Creek Minerals Ltd. - Flow-Through Shares	507,000.00	1,267,500.00
01/01/2007 to 12/15/2007	122	Heathbridge Canadian Pooled Fund - Units	6,765,516.16	614,567.55
06/25/2007	13	Horizon Industries Limited - Units	179,650.00	2,720,750.00
12/12/2007	98	Huron Energy Corporation - Common Shares	21,044,276.00	10,866,735.00
12/21/2007	5	Idelix Software Inc. - Notes	1,222,000.00	5.00
01/14/2008	1	Inca Pacific Resources Inc. - Common Shares	2,576,520.00	1,515,600.00
08/10/2006	10	InNEXUS BIOTECHNOLOGY INC. - Units	5,325,530.00	11,378,500.00
01/11/2008	1	Intelligent Mechatronic Systems Inc. - Common Shares	29,500,000.00	29,500,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/15/2008	2	InterRent Real Estate Investment Trust - Trust Units	3,559,600.00	809,000.00
11/01/2007	1	Investcorp Stoneworks Global Macro Fund Limited - Preferred Shares	16,148,300.00	17,000.00
01/01/2008	39	Ironwood III Limited Partnership - Limited Partnership Units	8,118,000.00	123.00
01/09/2008	3	iseemedia, Inc. - Common Shares	20,000.00	50,000.00
12/13/2007 to 12/19/2007	5	Jourdan Resources Inc. - Units	775,120.00	5,616,927.00
12/15/2007	1	Kingwest Avenue Portfolio - Units	3,896.10	121.95
12/31/2007	3	Kingwest Avenue Portfolio - Units	527,406.82	17,048.27
12/15/2007	2	Kingwest U.S. Equity Portfolio - Units	71,585.85	5,139.34
01/15/2008	1	Kirkland Lake Gold Inc. - Common Shares	62,500.00	4,929.00
09/11/2007	1	KWG Resources Inc. - Units	5,300.00	106,000.00
01/07/2008	9	Look Communications Inc. - Common Shares	135,364.28	320,385.00
01/03/2008	2	Macarthur Minerals Ltd. - Units	2,100,000.00	1,500,000.00
01/02/2008	1	Maple Tree Holdings, L.P. - Units	16,155,435.00	16,350,000.00
12/28/2007	4	Matamec Explorations Inc. - Units	1,133,184.00	5,665,920.00
01/01/2007 to 12/21/2007	143	Mavrix Strategic Small Cap Fund - Units	5,488,647.58	549,308.79
09/10/2007	0	Maximus Ventures Ltd. - Common Shares	0.00	38,350.00
01/15/2008	1	Melkior Resources Inc. - Common Shares	0.00	200,000.00
06/18/2007	1	Mi3 Annex II LP - Limited Partnership Interest	26,707.00	N/A
12/13/2007	9	MicroPharma Limited - Preferred Shares	178,435.33	80,125.00
12/24/2007	17	Moly Mines Limited - Common Shares	74,800,000.00	22,000,000.00
11/30/2007	4	Molycor Gold Corporation - Units	600,000.00	N/A
01/01/2008	7	Montrachet Investments Limited Partnership - Limited Partnership Units	2,000,000.00	200,000.00
12/20/2007	1	Mountgrange Real Estate Opportunity Fund L.P. - Limited Partnership Interest	39,572,000.00	N/A



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
12/20/2007	5	Myra Falls Mine Limited Partnership - Limited Partnership Units	20,000,000.00	20,000.00
12/25/2007 to 01/16/2008	33	Nelson Financial Group Ltd. - Notes	1,163,031.23	33.00
01/07/2008 to 01/09/2008	6	Newport Canadian Equity Fund - Units	136,500.00	940.19
01/07/2008 to 01/09/2008	7	Newport Global Equity Fund - Units	116,500.00	1,451.47
01/07/2008 to 01/09/2008	9	Newport Yield Fund - Units	249,800.00	2,051.38
01/01/2007 to 12/31/2007	1	NexGen American Growth Tax Managed Fund - Debt	526,452.52	26,916.11
01/01/2007 to 12/31/2007	1	NexGen Canadian Balanced Growth Tax Managed Fund - Debt	693,767.36	34,089.72
01/01/2007 to 12/31/2007	1	NexGen Canadian Dividend and Income Tax Managed Fund - Debt	625,174.38	30,353.06
01/01/2007 to 12/31/2007	1	NexGen Canadian Growth and Income Tax Managed Fund - Debt	766,755.79	38,915.63
01/01/2007 to 12/31/2007	1	NexGen Canadian Growth Tax Managed Fund - Debt	1,158,870.52	56,474.67
01/01/2007 to 12/31/2007	1	NexGen Canadian Large Cap Tax Managed Fund - Debt	168,773.78	7,365.33
03/15/2007 to 12/31/2007	1	NexGen Global Value Tax Managed Fund - Debt	574,662.06	22,391.80
01/01/2007 to 12/31/2007	1	NexGen North American Dividend & Income Tax Managed Fund - Debt	76,616.99	2,623.80
01/01/2007 to 12/31/2007	1	NexGen North American Growth Tax Managed Fund - Debt	152,604.95	N/A
01/01/2007 to 12/31/2007	1	NexGen North American Large Cap Tax Managed Fund - Debt	204,125.01	8,129.24
01/01/2007 to 12/31/2007	1	NexGen North American Small/Mid Cap Tax Managed Fund - Limited Partnership Units	2,650,137.38	128,317.10
01/01/2007 to 12/31/2007	1	NexGen North American Value Tax Managed Fund - Debt	402,991.80	19,616.82
01/01/2008	3	North American Financial Group Inc. - Debt	100,000.00	35.00
01/08/2008	18	Northern Continental Resources Inc. - Units	534,065.00	-41.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
12/11/2006 to 09/28/2007	1	Northwest Quadrant Balanced Growth Portfolio - Units	18,232,420.23	N/A
12/31/2007	22	OptiSolar Inc. - Preferred Shares	37,845,460.18	722,665.00
02/15/2007	1	Orbis Africa Equity (Rand) Fund Limited - Common Shares	2,187.82	16.31
04/03/2007 to 09/06/2007	1	Orbis Global Equity Fund Limited - Common Shares	18,724,536.44	137,623.54
10/25/2007	1	Orbis Leveraged (Euro) Fund Limited - Common Shares	34,487.15	1,116.09
12/13/2007	1	Orbis Leveraged (Yen) Fund Limited - Common Shares	420,152.19	49,652.05
04/04/2007 to 09/06/2007	1	Orbis Optimal (US\$) Fund Limited - Common Shares	17,817,524.12	226,597.10
09/13/2007	1	Orbis Optimal (Yen) Fund Limited - Common Shares	439,896.80	46,176.14
08/30/2007 to 09/06/2007	1	Orbis SICAV-Global Equity Fund - Common Shares	257,024,556.99	1,944,396.11
02/15/2007	1	Orbis SICAV-Asia ex-Japan Equity Fund - Common Shares	44.55	2.95
05/07/2007	80	Pacific Asia China Energy Inc. - Units	3,068,159.70	5,578,472.00
01/01/2007 to 12/31/2007	29	Palos Capital Pool L.P. - Units	2,342,810.50	175,130.15
12/28/2007	2	Pemberton Energy Ltd. - Units	260,000.00	1,040,000.00
01/08/2008	2	Petaquilla Copper Ltd - Units	2,625,000.00	750,000.00
01/09/2008	2	Petaquilla Minerals Ltd - Units	2,124,000.00	708,000.00
11/21/2007	1	PharmaGap Inc. - Debentures	265,200.00	265,200.00
12/19/2007	51	Phase Separation Solutions Inc. - Common Shares	2,167,400.10	7,224,667.00
12/31/2007	6	Prestigious Capital Ltd. - Bonds	260,000.00	N/A
12/31/2007	5	Prestigious Properties Four Limited Partnership - Limited Partnership Units	562,500.00	2,183.00
01/09/2008	42	Prize Mining Corporation - Units	550,000.00	5,500,000.00
01/15/2008	1	Queenston Mining Inc. - Common Shares	62,500.00	21,186.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/10/2008	5	Quinto Mining Corporation - Units	7,270,250.00	11,185,000.00
12/31/2007	28	Ranger Canyon Energy Inc. - Common Shares	564,750.00	2,259,000.00
12/18/2007	21	Renforth Resources Inc. - Common Shares	1,880,480.00	6,715,999.00
12/18/2007	21	Renforth Resources Inc. - Common Shares	1,880,480.00	6,715,999.00
09/06/2007	38	Resort Owners Group Ltd. - Common Shares	1,085,000.00	2,170,000.00
06/01/2007 to 11/01/2007	12	Rival North American Growth Fund - Limited Partnership Units	952,422.00	128,408.61
12/28/2007 to 12/31/2007	41	Rolland Energy Inc. - Common Shares	633,571.00	10,232,229.00
03/30/2007	2	Rosiland Capital Partners L.P. - Limited Partnership Units	1,723,390.44	1,491,830.81
12/05/2007	1	Rupert Peace Power Corp. - Flow-Through Shares	247,500.00	450,000.00
12/28/2007	16	Schneider Power Inc. - Common Shares	2,451,399.98	N/A
01/10/2008	3	Seafield Resources Ltd. - Units	310,000.00	1,240,000.00
12/27/2007	39	Sego Resources Inc. - Common Shares	1,426,890.00	N/A
01/04/2008	4	Sextant Strategic Opportunities Hedge Fund LP - Units	232,000.00	N/A
12/28/2007	4	Societe d'exploration miniere Vior Inc. - Flow-Through Units	1,000,000.00	555,554.00
12/21/2007	11	Sofame Technologies Inc. - Common Share Purchase Warrant	750,000.00	30.00
12/10/2007	17	Sofame Technologies Inc. - Common Shares	825,000.00	N/A
01/08/2008	32	Sonoma Resource Ltd. - Common Shares	3,480,000.00	3,700,000.00
03/01/2007	3	Spartan Arbitrage Fund Limited Partnership - Units	450,000.00	1,700.00
11/30/2007	98	StageVentures 2007 Limited Partnership - Limited Partnership Units	12,285,740.00	11,482.00
03/01/2007 to 12/01/2007	38	Stanton Diversified Strategies LP - Units	1,571,149.58	N/A
12/28/2007	53	Superior Mining International Corporation - Units	1,880,000.00	4,700,000.00
12/31/2007	5	Tajzha Ventures Ltd. - Units	92,750.00	265,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
11/02/2007	24	Temex Resource Corp. - Units	4,999,999.00	7,442,856.00
12/31/2006 to 11/30/2007	47	Terra Capital L.P. #2 - Units	3,503,075.48	14,744.00
12/31/2006 to 07/31/2007	21	Terra Public Venture Trust - Limited Partnership Units	2,006,516.16	51,696.50
01/07/2008	5	Texada Software Inc. - Units	500,000.00	N/A
04/01/2007 to 12/01/2007	45	The Blair Franklin MultiStrategy Fund L.P. - Units	39,100,000.00	39,188.00
12/30/2007	37	The Canadian Land and Retail Development Fund I - Limited Partnership Units	17,225,000.00	68.90
01/16/2008	28	The Canadian Professionals Services Trust - Units	44,944.02	89,888.05
01/01/2007 to 11/01/2007	12	The Strategic Opportunities Feeder Fund L.P. - Limited Partnership Units	11,858,500.00	11,858.50
01/10/2008	11	Trade Winds Ventures Inc. - Units	150,000.00	600,000.00
11/20/2007	1	Trez Capital Corporation - Mortgage	150,000.00	N/A
11/16/2007 to 11/20/2007	9	Trez Capital Corporation - Mortgage	3,136,177.86	3,136,177.86
01/09/2008	2	TrialStat Corporation - Units	1,600,000.00	N/A
12/31/2007	1	Tricor Co. Ltd. - Common Shares	50,000.00	N/A
01/11/2008	149	Tristar Oil & Gas Ltd. - Receipts	201,545,210.00	168,750,000.00
12/21/2007	25	UB Technologies Inc. - Common Shares	600,000.00	12,000,000.00
01/11/2008	1	United Mexican States - Notes	10,200,000.00	N/A
12/21/2007	78	Uracan Resources Ltd. - Units	7,716,000.00	12,860,000.00
11/30/2007	25	ValGold Resources Ltd. - Units	1,664,250.00	4,755,000.00
09/27/2007	49	Valterra Resource Corporation - Common Shares	1,946,500.00	6,375,000.00
01/01/2007 to 12/01/2007	42	Venator Founders Fund - Limited Partnership Units	7,333,019.83	506,118.38
09/01/2007 to 12/01/2007	94	Venator RSP Trust - Trust Units	175,212.00	35,438.53
12/28/2007	9	Vencan Gold Corporation - Units	680,000.00	6,800,000.00

**Notice of Exempt Financings**

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<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
01/15/2008	1	Venturex Explorations Inc. - Common Shares	24,000.00	200,000.00
01/11/2008	69	Walton AZ Sunland View Investment Corporation - Units	2,915,000.00	291,500.00
01/11/2008	29	Walton AZ Sunland View Limited Partnership - Limited Partnership Units	4,011,778.95	395,717.00
01/07/2008	89	Walton Brant County Land 3 Investment Corporation - Common Shares	1,997,070.00	199,707.00
01/08/2008	27	Walton Brant County Land Limited Partnership 3 - Limited Partnership Units	2,630,410.00	263,041.00
01/03/2008	5	Western Wind Energy Corp. - Common Shares	275,000.00	213,179.00
12/27/2007 to 12/28/2007	5	Wimberly Apartments Limited Partnership - Limited Partnership Interest	623,654.42	906,788.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Allied Nevada Gold Corp.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated January 18, 2008  
Mutual Reliance Review System Receipt dated January 21, 2008

**Offering Price and Description:**

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

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

Cormark Securities Inc.  
GMP Securities L.P.

**Promoter(s):**

-

**Project #1208106**

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**Issuer Name:**

American Express Canada Credit Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Base Shelf Prospectus dated  
January 15, 2008  
Mutual Reliance Review System Receipt dated January 17, 2008

**Offering Price and Description:**

Cdn \$3,500,000,000.00 - Medium Term Notes (unsecured)  
Unconditionally guaranteed as to principal, premium (if  
any), interest and certain other amounts by AMERICAN  
EXPRESS CREDIT CORPORATION,

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

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

**Promoter(s):**

-

**Project #1207110**

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**Issuer Name:**

Bank of Nova Scotia, The  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 17, 2008  
Mutual Reliance Review System Receipt dated January 18, 2008

**Offering Price and Description:**

\$200,000,000.00 - (8,000,000 shares) Non-cumulative  
Preferred Shares Series 17 Price: \$25.00 per share to yield  
5.60%

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

Scotia Capital Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Desjardins Securities Inc.  
HSBC Securities (Canada) Inc.  
Dundee Securities Corporation  
Laurentian Bank Securities Inc.  
Brookfield Financial Corp.

**Promoter(s):**

-

**Project #1207640**

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**Issuer Name:**

Bank of Nova Scotia, The  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 17, 2008  
Mutual Reliance Review System Receipt dated January 18, 2008

**Offering Price and Description:**

\$ \* - \* Debentures due 20\*\* (subordinated indebtedness)

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

Scotia Capital Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
HSBC Securities (Canada) Inc.  
National Bank Financial Inc.  
Merrill Lynch Canada Inc.  
Desjardins Securities Inc.  
J.P. Morgan Securities Canada Inc.  
Laurentian Bank Securities Inc.

**Promoter(s):**

-

**Project #1207641**

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**Issuer Name:**

Bissett U.S. Focus Corporate Class  
Bissett U.S. Focus Fund  
Franklin Global Real Estate Corporate Class  
Franklin Global Real Estate Fund  
Franklin Japan Fund  
Franklin Templeton U.S. Short-Term Yield Class  
Franklin World Growth Fund  
Templeton European Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated January 21, 2008  
Mutual Reliance Review System Receipt dated January 21, 2008

**Offering Price and Description:**

Series O Units and Series A, F, I and O Shares

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

Franklin Templeton Investments Corp.

**Promoter(s):**

-

**Project #1208207**

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**Issuer Name:**

Blue Steel Chemicals Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated January 16, 2008  
Mutual Reliance Review System Receipt dated January 16, 2008

**Offering Price and Description:**

Minimum Offering \$4,000,000.00 (4,000,000 Common Shares); Maximum Offering \$5,000,000.00 (5,000,000 Common Shares) Price: \$1.00 per Common Share

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

Research Capital Corporation

**Promoter(s):**

Sean Thomas  
Nick Blackerman  
William M. Blackerman  
Dave Cutler  
Keith Talbot  
Paul Svoboda

**Project #1207182**

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**Issuer Name:**

Oculus Ventures Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary CPC Prospectus dated January 17, 2008  
Mutual Reliance Review System Receipt dated January 17, 2008

**Offering Price and Description:**

OFFERING: \$400,000.00 or 4,000,000 Common Shares  
PRICE: \$0.10 per Common Share

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

Investpro Securities Inc.

**Promoter(s):**

John Gabriel  
**Project #1207414**

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**Issuer Name:**

Pathway Mining 2008 Flow-Through Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated January 15, 2008  
Mutual Reliance Review System Receipt dated January 18, 2008

**Offering Price and Description:**

\$35,000,000.00 (Maximum Offering); \$5,000,000.00 (Minimum Offering) A Maximum of 3,500,000 and a Minimum of 500,000 Limited Partnership Units Minimum Subscription: 250 Limited Partnership Units Subscription Price: \$10.00 per Limited Partnership Unit

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

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

**Promoter(s):**

Pathway Mining 2008 Inc.  
**Project #1207503**

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**Issuer Name:**

Ark Aston Hill Energy Class  
Ark Aston Hill Monthly Income Class  
Ark Aston Hill Opportunities Class  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated January 16, 2008  
Mutual Reliance Review System Receipt dated January 18, 2008

**Offering Price and Description:**

Mutual fund securities at net asset value

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

Ark Fund Management Ltd.

**Promoter(s):**

ARK Fund Management Ltd.  
**Project #1180541**

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**Issuer Name:**

Canadian Imperial Bank of Commerce  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated January 21, 2008  
Mutual Reliance Review System Receipt dated January 21, 2008

**Offering Price and Description:**

\$1,250,147,250.00 - 18,645,000 Common Shares Price:  
\$67.05 per Common Share

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

CIBC World Markets Inc.  
UBS Securities Canada Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Blackmont Capital Inc.  
Brookfield Financial Corp.  
Canaccord Capital Corporation  
Cormark Securities Inc.  
Desjardins Securities Inc.  
Dundee Securities Corporation  
Genuity Capital Markets  
GMP Securities L.P.  
HSBC Securities (Canada) Inc.  
Macquarie Capital Markets Canada Ltd.  
Raymond James, Ltd.  
Wellington West Capital Markets Inc.

**Promoter(s):**

-

**Project #1206717**

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**Issuer Name:**

Series A, Series F, Series I, Series O, Series R5, Series R7  
and Verdant Series of Units (unless otherwise indicated )  
of:

CC&L Conservative Portfolio (Series A, Series F, Series I,  
Series O and Verdant Series of Units )  
CC&L Balanced Income Portfolio  
CC&L Balanced Portfolio  
CC&L Balanced Growth Portfolio  
CC&L Growth Portfolio  
CC&L Aggressive Equity Portfolio (Series A, Series F,  
Series I, Series O and Verdant Series of Units )  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated January 17, 2008  
Mutual Reliance Review System Receipt dated January 21,  
2008

**Offering Price and Description:**

Series A, Series F, Series I, Series O, Series R5 and  
Series R7 and Verdant Series of Units @ net asset value

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

-

**Promoter(s):**

Connor Clark & Lunn Managed Portfolios Inc.  
**Project #1195865**

**Issuer Name:**

JOV BETAPRO SHORT-TERM INCOME FUND  
Principal Regulator - Ontario

**Type and Date:**

Amendment No. 1 dated January 11th, 2008 to the  
Amended and Restated Simplified Prospectus and Annual  
Information Form dated December 14, 2007, amending and  
restating the Simplified Prospectus and Annual Information  
Form dated April 18th, 2007  
Mutual Reliance Review System Receipt dated January 18,  
2008

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Jovfunds Management Inc.  
**Project #1063054**

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**Issuer Name:**

Jov Prosperity Canadian Equity Fund  
Jov Prosperity Canadian Fixed Income Fund  
Jov Prosperity International Equity Fund  
Jov Prosperity U.S. Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated January 14, 2008  
Mutual Reliance Review System Receipt dated January 17,  
2008

**Offering Price and Description:**

Investment fund trust units at net asset value

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

T.E. Investment Counsel Inc.  
MGI Securities Inc.

**Promoter(s):**

-

**Project #1169293**

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**Issuer Name:**

Manitoba Telecom Services Inc.  
Principal Regulator - Manitoba

**Type and Date:**

Final Short Form Shelf Prospectus dated January 18, 2008  
Mutual Reliance Review System Receipt dated January 18,  
2008

**Offering Price and Description:**

\$350,000,000.00 - Medium Term Notes (unsecured)

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

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

**Promoter(s):**

-

**Project #1079677**



**Issuer Name:**

Marquis International Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated January 10, 2008 to the Simplified Prospectus and Annual Information Form dated November 19, 2007

Mutual Reliance Review System Receipt dated January 18, 2008

**Offering Price and Description:**

-

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

Goodman & Company, Investment Counsel Ltd.

**Promoter(s):**

Goodman & Company, Investment Counsel Ltd.

**Project #1170170**

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**Issuer Name:**

National Bank of Canada  
Principal Regulator - Quebec

**Type and Date:**

Final Prospectus dated January 16, 2008

Mutual Reliance Review System Receipt dated January 16, 2008

**Offering Price and Description:**

\$400,000,000.00 - 400,000 Trust Capital Securities—  
Series 1 (NBC CapS II™ — Series 1)

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

National Bank Financial Inc.

**Promoter(s):**

-

**Project #1198598**

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**Issuer Name:**

NBC Asset Trust  
Principal Regulator - Quebec

**Type and Date:**

Final Prospectus dated January 16, 2008

Mutual Reliance Review System Receipt dated January 16, 2008

**Offering Price and Description:**

\$400,000,000.00 - 400,000 Trust Capital Securities—  
Series 1 (NBC CapS II™ — Series 1)

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

National Bank Financial Inc.

**Promoter(s):**

-

**Project #1198589**

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**Issuer Name:**

NCE Diversified Flow-Through (08) Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated January 16, 2008

Mutual Reliance Review System Receipt dated January 17, 2008

**Offering Price and Description:**

Limited Partnership Units Price per unit: \$20: Maximum Offering: \$200,000,000.00 (8,000,000 Units); Minimum Offering: \$25,000,000.00 (1,000,000 Units) Minimum Subscription: 200 Units

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

RBC Dominion Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

TD Securities Inc.

Scotia Capital Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Dundee Securities Corporation

GMP Securities L.P.

Berkshire Securities Inc.

Blackmont Capital Inc.

Jory Capital Inc.

Richardson Partners Financial Limited

Wellington West Capital Inc.

Desjardins Securities Inc.

IPC Securities Corporation

Laurentian Bank Securities Inc.

Research Capital Corporation

**Promoter(s):**

Petro Asset Inc.

**Project #1200331**

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**Issuer Name:**

TDK 2008 Flow-Through Limited Partnership  
Principal Jurisdiction - Ontario

**Type and Date:**

Final Prospectus dated January 18, 2008  
Mutual Reliance Review System Receipt dated January 21, 2008

**Offering Price and Description:**

Limited Partnership units' Price: \$25 per unit Maximum  
Offering: \$50,000,000.00 (2,000,000 units) Minimum  
Offering: \$5,000,000.00 (200,000 units) Minimum  
Subscription: 200 Units

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

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

**Promoter(s):**

TDK General Partners Inc.  
First Asset Investment Management Inc.

**Project #1198481**

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**Issuer Name:**

Exent Technologies Ltd.  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Prospectus dated October 23rd, 2007  
Withdrawn on January 21, 2008

**Offering Price and Description:**

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

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

GMP Securities L.P.  
Canaccord Capital Corporation  
Genuity Capital Markets G.P.  
Raymond James Ltd.

**Promoter(s):**

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**Project #1171239**

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**Issuer Name:**

Tahera Diamond Corporation (formerly Tahera Corporation)  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated November 14, 2007 and  
Amended and Restated Preliminary Short Form Prospectus dated December 17, 2007  
Withdrawn on January 16, 2008

**Offering Price and Description:**

Maximum Offering: \$45,500,000.00 or 700,000,000 Units;  
Minimum Offering: \$40,000,000.00 or 615,384,615 Units  
Price: \$0.065 per Unit

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

GMP Securities L.P.

**Promoter(s):**

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**Project #1183690**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Logan Circle Partners, L.P.	International Adviser (Investment Counsel and Portfolio Manager)	January 16, 2008
New Registration	Harbor Group Canada Inc.	Limited Market Dealer	January 16, 2008
New Registration	Aberdeen Gould Capital Markets Ltd.	Limited Market Dealer	January 17, 2008
New Registration	Spara Merchant Capital Corp.	Limited Market Dealer	January 18, 2008
New Registration	Ecorock Asset Management Inc.	Investment Counsel & Portfolio Manager	January 18, 2008
New Registration	Ravensden Asset Management Inc.	Investment Counsel and Portfolio Manager	January 18, 2008
Consent to Suspension (Rule 33-501 – Surrender of Registration)	Flagship Bancorp Inc.	Limited Market Dealer	January 18, 2008
New Registration	Sandler, O'Neill & Partners, L.P.	International Dealer	January 21, 2008
New Registration	CWM Investment Counsel Inc.	Investment Counsel and Portfolio Manager	January 21, 2008
New Registration	Kelly Reddy Capital Corp.	Limited Market Dealer	January 22, 2008
New Registration	Weizhen Tang Corp	Limited Market Dealer	January 22, 2008

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## Chapter 13

# SRO Notices and Disciplinary Proceedings

### 13.1.1 Commission Approval to CDS Procedures Relating to Dormant Participant Procedures

#### COMMISSION APPROVAL TO CDS PROCEDURES RELATING TO DORMANT PARTICIPANT PROCEDURES

<b>Text of CDS Participant Procedures marked to reflect non-material revisions to previously published rule amendments</b>	<b>Text CDS Participant Procedures reflecting the adoption of proposed amendments</b>
<p><b>1.7 Dormant participants</b></p> <p>Participants that decide to clear and settle trades through other CDS participants can change their status to dormant by paying an annual dormancy fee. This will maintain their status as a non-active participant. By paying the dormancy fee, participants who opt out of using CDS services for a fixed period of time can resume using CDS services without paying an additional membership fee.</p> <p>Participants requesting a dormancy status should do so by sending a formal letter (on company letterhead) to CDS Customer Service.</p> <p>If a dormant participant chooses to use a CDS service <u>(excluding clearing, settlement, and depository services as defined in the CDS Participant Rules)</u> during the dormancy period, the participant must pay the non-participant fee for that service.</p> <p>Participants who want to become active again (i.e., self-clearing) must complete an Application for Participation and submit it to CDS Customer Service for board approval.</p>	<p><b>1.7 Dormant participants</b></p> <p>Participants that decide to clear and settle trades through other CDS participants can change their status to dormant by paying an annual dormancy fee. This will maintain their status as a non-active participant. By paying the dormancy fee, participants who opt out of using CDS services for a fixed period of time can resume using CDS services without paying an additional membership fee.</p> <p>Participants requesting a dormancy status should do so by sending a formal letter (on company letterhead) to CDS Customer Service.</p> <p>If a dormant participant chooses to use a CDS service (excluding clearing, settlement, and depository services as defined in the CDS Participant Rules) during the dormancy period, the participant must pay the non-participant fee for that service.</p> <p>Participants who want to become active again (i.e., self-clearing) must complete an Application for Participation and submit it to CDS Customer Service for board approval.</p>

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## Chapter 25

# Other Information

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### 25.1 Exemptions

#### 25.1.1 Brompton 2008 Flow-Through LP - OSC Rule 41-501 General Prospectus Requirements, Part 15

##### Headnote

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

##### Applicable Legislative Provisions

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

January 15, 2008

**Stikeman Elliott LLP**  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

##### Attention: Erica Zarkovich

Dear Sirs/Mesdames:

**Re: Brompton 2008 Flow-Through LP (the "Partnership")  
Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements ("Rule 41-501")  
Application No. 2007/1087, SEDAR Project No. 1200247**

By letter dated December 19, 2008 (the "Application"), the Partnership applied to the Director of the Ontario Securities Commission (the "Director") pursuant to section 15.1 of Rule 41-501 for relief from item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement, if applicable, to both its preliminary and final prospectus (the "Requested Relief").

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the

issuance of a receipt for the Partnership's prospectus, subject to the following conditions:

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

Yours very truly,

"Vera Nunes"  
Assistant Manager, Investment Funds



**25.1.2 MSP 2008 Flow-Through Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, Part 15**

**Headnote**

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

**Applicable Legislative Provisions**

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

January 15, 2008

**Borden Ladner Gervais LLP**

Scotia Plaza  
40 King Street West  
Toronto, ON M5H 3Y4

**Attention: Carol E. Derk/Eric C. Seed**

Dear Sirs/Mesdames:

**Re: MSP 2008 Flow-Through Limited Partnership (the “Partnership”) Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements (“Rule 41-501”) Application No. 2007/1093, SEDAR Project No. 1200989**

By letter dated December 21, 2007 (the “Application”), the Partnership applied to the Director of the Ontario Securities Commission (the “Director”) pursuant to section 15.1 of Rule 41-501 for relief from item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement, if applicable, to both its preliminary and final prospectus (the “Requested Relief”).

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

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and
2. the final prospectus will advise investors and potential investors of the various

means by which they can obtain copies of the limited partnership agreement, which will include:

- a. inspection during normal business hours at the Partnership’s principal place of business;
- b. from SEDAR;
- c. upon written request to the General Partner; and
- d. from the website of the Partnership or Manager.

Yours very truly,

“Vera Nunes”  
Assistant Manager, Investment Funds

**25.1.3 Creststreet 2008 Limited Partnership - OSC Rule 41-501 General Prospectus Requirements, s. 15.1**

**Headnote**

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

**Applicable Legislative Provisions**

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

January 16, 2008

**McCarthy Tetrault LLP**

Barristers & Solicitors  
Box 48, Suite 4700  
Toronto Dominion Bank Tower  
Toronto, ON M5K 1E6

**Attention: Matthew D. Appleby**

Dear Sirs/Mesdames:

**Re: Creststreet 2008 Limited Partnership (the “Partnership”)  
Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements (“Rule 41-501”)  
Application No. 2007/1097, SEDAR Project No. 1202130**

By letter dated December 21, 2007 (the “Application”), the Partnership applied to the Director of the Ontario Securities Commission (the “Director”) pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

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

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and

2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:

- a. inspection during normal business hours at the offices of Creststreet Asset Management Limited (“Creststreet”), the portfolio advisor of the Partnership;
- b. from SEDAR;
- c. upon written request to the General Partner; and
- d. from the website of Creststreet.

Yours very truly,

“Vera Nunes”  
Assistant Manager, Investment Funds Branch

**25.1.4 BluMont Augen Limited Partnership 2008 - OSC Rule 41-501 General Prospectus Requirements, s. 15.1**

**Headnote**

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

**Statutes Cited**

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

January 15, 2008

**Fasken Martineau DuMoulin LLP**

Barristers & Solicitors  
66 Wellington Street West  
Suite 4200, Toronto Dominion Bank Tower  
Box 20, Toronto-Dominion Centre  
Toronto, ON M5K 1N6

**Attention: Jennifer I. Armstrong**

Dear Sirs/Mesdames:

**Re: BluMont Augen Limited Partnership 2008 (the “Partnership”)  
Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements (“Rule 41-501”)  
Application No. 2007/1095, SEDAR Project No. 1200858**

By letter dated December 19, 2007 (the “Application”), the Partnership applied to the Director of the Ontario Securities Commission (the “Director”) pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

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

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and

2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies of the limited partnership agreement, which will include:

- a. inspection during normal business hours at the offices of the General Partner;
- b. from SEDAR;
- c. upon written request to the General Partner; and
- d. from the website of the General Partner.

Yours very truly,

“Vera Nunes”  
Assistant Manager, Investment Funds Branch

**25.2 Approvals**

"Margot Howard"  
Ontario Securities Commission

**25.2.1 QAM Administrative Services Inc. - s. 13(3)(b) of the LTCA**

**Headnote**

Paragraph 213(3)(b) of Loan and Trust Corporations Act – Application for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

**Applicable Legislative Provisions**

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

**Rules Cited**

Ontario Securities Commission Approval 81-901, Approval of Trustees of Mutual Fund Trusts (1997), 20 OSCB 200.

January 18, 2008

**AIRD & BERLIS LLP**

BCE Place, Suite 1800  
Box 754, 181 Bay Street  
Toronto, ON M5J 2T9

**Attention: Jennifer A. Wainwright**

Dear Sirs/Mesdames:

**Re: QAM Administrative Services Inc. (the "Applicant")  
Application for approval to act as trustee pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario)  
Application No. 2007/0755**

Further to your application dated September 5, 2007 (the "**Application**") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of any mutual fund trust established by the Applicant from time to time will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of any mutual fund trust that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Robert Shirriff"  
Ontario Securities Commission

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# Index

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<b>6886116 Canada Ltd.</b>	
MRRS Decision.....	989
<b>Aberdeen Gould Capital Markets Ltd.</b>	
New Registration.....	1211
<b>AldeaVision Solutions Inc.</b>	
Cease Trading Order .....	1007
<b>Argus Corporation Limited</b>	
Cease Trading Order .....	1007
<b>Beck, Peter</b>	
Notice from the Office of the Secretary .....	975
Order - s. 127 .....	1003
<b>BluMont Augen Limited Partnership 2008</b>	
Exemption - OSC Rule 41-501 General Prospectus Requirements, s. 15.1 .....	1218
<b>Brompton 2008 Flow-Through LP</b>	
Exemption - OSC Rule 41-501 General Prospectus Requirements, Part 15 .....	1215
<b>Castaneda, Jose L.</b>	
News Release.....	974
Notice from the Office of the Secretary .....	975
Order - s. 127 .....	999
<b>CDS Procedures Relating to Dormant Participant Procedures</b>	
Notice.....	973
SRO Notices and Disciplinary Proceedings .....	1213
<b>Cheung, Hau Wai</b>	
Notice from the Office of the Secretary .....	977
Order - ss. 127(1), 127(8) .....	1005
<b>Companion Policy 11-102CP Passport System</b>	
Rules and Policies .....	1009
<b>CoolBrands International Inc.</b>	
Cease Trading Order .....	1007
<b>Creststreet 2008 Limited Partnership</b>	
Exemption - OSC Rule 41-501 General Prospectus Requirements, s. 15.1 .....	1217
<b>Creststreet Resource Class</b>	
MRRS Decision.....	984
<b>CWM Investment Counsel Inc.</b>	
New Registration.....	1211
<b>Da Silva, Abel</b>	
Notice of Hearing - ss. 127(7), 127(8) .....	973
Notice from the Office of the Secretary .....	976
Temporary Order - ss. 127(1), 127(5) .....	1003
<b>DeVries, Andrew</b>	
Notice from the Office of the Secretary .....	976
Order .....	1004
<b>DoveCorp Enterprises Inc.</b>	
Cease Trading Order.....	1007
<b>Ecorock Asset Management Inc.</b>	
New Registration .....	1211
<b>Emergis Inc.</b>	
MRRS Decision .....	989
<b>Fareport Capital Inc.</b>	
Cease Trading Order.....	1007
<b>Flagship Bancorp Inc.</b>	
Consent to Suspension (Rule 33-501 – Surrender of Registration).....	1211
<b>FMF Capital Group Ltd.</b>	
Cease Trading Order.....	1007
<b>Gahunia, Gurdip Singh</b>	
Notice of Hearing - ss. 127(7), 127(8) .....	973
Notice from the Office of the Secretary .....	977
Notice from the Office of the Secretary .....	976
Temporary Order - ss. 127(1), 127(5) .....	1003
Order - ss. 127(1), 127(8).....	1005
<b>Gahunia, Michael</b>	
Notice of Hearing - ss. 127(7), 127(8) .....	973
Notice from the Office of the Secretary .....	976
Temporary Order - ss. 127(1), 127(5) .....	1003
<b>Global Partners Capital</b>	
Notice from the Office of the Secretary .....	977
Order - ss. 127(1), 127(8).....	1005
<b>Grossman, Abraham Herbert</b>	
Notice of Hearing - ss. 127(7), 127(8) .....	973
Notice from the Office of the Secretary .....	976
Temporary Order - ss. 127(1), 127(5) .....	1003
<b>Grossman, Allen</b>	
Notice of Hearing - ss. 127(7), 127(8) .....	973
Notice from the Office of the Secretary .....	976
Temporary Order - ss. 127(1), 127(5) .....	1003

---

---

<b>Harbor Group Canada Inc.</b>		<b>NP 12-201 Mutual Reliance Review System for Exemptive Relief Applications</b>	
New Registration.....	1211	Rules and Policies.....	1009
<b>Helical Corporation Inc., The</b>		<b>NP 43-201 Mutual Reliance Review System for Prospectuses</b>	
Cease Trading Order .....	1007	Rules and Policies.....	1009
<b>Hip Interactive Corp.</b>		<b>O'Brien, Eric</b>	
Cease Trading Order .....	1007	Notice of Hearing - ss. 127(7), 127(8) .....	973
<b>HMZ Metals Inc.</b>		Notice from the Office of the Secretary .....	976
Cease Trading Order .....	1007	Temporary Order - ss. 127(1), 127(5) .....	1003
<b>Infolink Technologies Ltd.</b>		<b>Olympus United Group Inc.</b>	
MRRS Decision.....	986	Notice from the Office of the Secretary .....	977
<b>INTERGOLD LTD.</b>		Order .....	1005
Cease Trading Order .....	1007	<b>Pan, Christine</b>	
<b>Ivory Energy Inc.</b>		Notice from the Office of the Secretary .....	977
MRRS Decision.....	992	Order - ss. 127(1), 127(8).....	1005
<b>Kefalas, Peter</b>		<b>Peace Arch Entertainment Group Inc.</b>	
Notice from the Office of the Secretary .....	977	Cease Trading Order.....	1007
Order.....	1005	<b>QAM Administrative Services Inc.</b>	
<b>Kelly Reddy Capital Corp.</b>		Approval - s. 13(3)(b) of the LTCA .....	1219
New Registration.....	1211	<b>Ravensden Asset Management Inc.</b>	
<b>Knightscope Media Corp.</b>		New Registration .....	1211
Cease Trading Order .....	1007	<b>Sandler, O'Neill &amp; Partners, L.P.</b>	
<b>Kore International Management Inc.</b>		New Registration .....	1211
Notice from the Office of the Secretary .....	976	<b>Shallow Oil &amp; Gas Inc.</b>	
Order.....	1004	Notice of Hearing - ss. 127(7), 127(8) .....	973
<b>Logan Circle Partners, L.P.</b>		Notice from the Office of the Secretary .....	976
New Registration.....	1211	Temporary Order - ss. 127(1), 127(5) .....	1003
<b>Marsulex Inc.</b>		<b>Smith, Dale</b>	
Order.....	1000	Notice from the Office of the Secretary .....	977
<b>MI 11-102 Passport System</b>		Order .....	1005
Rules and Policies .....	1009	<b>Spara Merchant Capital Corp.</b>	
<b>Mint Technology Corp.</b>		New Registration .....	1211
Cease Trading Order .....	1007	<b>Stone Mountain Holdings Inc.</b>	
<b>MSP 2008 Flow-Through Limited Partnership</b>		Cease Trading Order.....	1007
Exemption - OSC Rule 41-501 General		<b>Sulja Bros. Building Supplies Ltd.</b>	
Prospectus Requirements, Part 15 .....	1216	Notice from the Office of the Secretary .....	976
<b>NI 11-202 Process for Prospectus Reviews in Multiple Jurisdictions</b>		Order .....	1004
Rules and Policies .....	1009	<b>Sulja Bros. Building Supplies, Ltd. (Nevada)</b>	
<b>Norshield Asset Management (Canada) Ltd.</b>		Notice from the Office of the Secretary .....	976
Notice from the Office of the Secretary .....	977	Order .....	1004
Order.....	1005	<b>Swift Trade Inc.</b>	
<b>NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions</b>		Notice from the Office of the Secretary .....	975
Rules and Policies .....	1009	Order - s. 127 .....	1003
		<b>TD Asset Management Inc.</b>	
		MRRS Decision .....	979

<b>TD Monthly Income Fund</b>	
MRRS Decision.....	979
<b>TD Mortgage Fund</b>	
MRRS Decision.....	979
<b>TD Private Canadian Bond Income Fund</b>	
MRRS Decision.....	979
<b>TD Private Canadian Bond Return Fund</b>	
MRRS Decision.....	979
<b>TD Private Canadian Corporate Bond Fund</b>	
MRRS Decision.....	979
<b>TD Short Term Bond Fund</b>	
MRRS Decision.....	979
<b>TELUS Corporation</b>	
MRRS Decision.....	989
<b>TS Telecom Ltd.</b>	
Cease Trading Order .....	1007
<b>VGS Seismic Canada Inc.</b>	
MRRS Decision.....	982
<b>Vucicevich, Petar</b>	
Notice from the Office of the Secretary .....	976
Order.....	1004
<b>Weizhen Tang Corp</b>	
New Registration.....	1211
<b>WS Net Solution, Inc.</b>	
Notice from the Office of the Secretary .....	977
Order - ss. 127(1), 127(8) .....	1005
<b>Xanthoudakis, John</b>	
Notice from the Office of the Secretary .....	977
Order.....	1005



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