The Ontario Securities Commission

OSC Bulletin

March 28, 2008

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 28, 2008

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
Toronto, Ontario
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Suresh Thakrar, FIBC	—	ST
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SCHEDULED OSC HEARINGS

March 28, 2008 9:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 J. S. Angus in attendance for Staff Panel: JEAT/MCH
March 28, 2008 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
March 28, 2008 11:00 a.m.	**Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al** s. 127(1) & (5) M. Boswell in attendance for Staff Panel: JEAT/CSP
March 31, 2008 9:30 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: WSW/DLK

March 31, 2008 10:00 a.m.	**Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans** s. 127 & 127(1) J. Corelli in attendance for Staff Panel: WSW/DLK/KJK
March 31, 2008 2:00 p.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: JEAT/DLK
April 1, 2008 2:30 p.m.	**Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman** s. 127 H. Craig in attendance for Staff Panel: PJL/MCH
April 7, 2008 10:00 a.m.	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: JEAT/CSP
April 7, 2008 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: DLK/ST
April 15, 2008 2:30 p.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
April 16, 2008 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 E. Cole in attendance for Staff Panel: TBA
April 22, 2008 2:00 p.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 I. Smith in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** s. 127 M. Vaillancourt in attendance for Staff Panel: WSW/DLK
TBA	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s.127 P. Foy in attendance for Staff Panel: TBA

May 27, 2008 2:30 p.m.	**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** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK
June 24, 2008 2:30 p.m.	**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.** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
June 24, 2008 2:30 p.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
July 14, 2008 10:00 a.m.	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: TBA
July 22, 2008 2:30 p.m.	**Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton** s. 127 C. Price in attendance for Staff Panel: JEAT/MCH
September 3, 2008 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) J. Corelli/C. Price in attendance for Staff Panel: TBA
September 30, 2008 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 & 127.1 M. Boswell in attendance for Staff Panel: JEAT/DLK
October 8, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: TBA
November 3, 2008 10:00 a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 E. Cole in attendance for Staff Panel: TBA

January 12, 2009 10:00 a.m.	**Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America** s. 127 C. Price in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s.127 K. Daniels in attendance for Staff Panel: TBA
TBA	**Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
TBA	**Jose Castaneda** s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/DLK
TBA	**Gregory Galanis** s. 127 P. Foy in attendance for Staff Panel: TBA

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Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

Euston Capital Corporation and George Schwartz

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

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

1.1.2 Minister of Finance Approval - Final Rule under the Securities Act - Amendments to NI 14-101 Definitions

MINISTER OF FINANCE APPROVAL

FINAL RULE UNDER THE SECURITIES ACT

AMENDMENTS TO
NATIONAL INSTRUMENT 14-101 *DEFINITIONS*

On February 15, 2008, the Minister of Finance (the Minister) approved Amendments to National Instrument 14-101 *Definitions* as a rule under the *Securities Act*. The Instrument was published in January, 2008 and made by the Commission in December 2007.

The Instrument came into force on March 17, 2008.

The Instrument is published in Chapter 5 of the Bulletin and at http://www.osc.gov.on.ca. No changes have been made to the Instrument since its previous publication in the Bulletin on January 4, 2008.

March 28, 2008

1.1.3 HSBC Investment Funds and HSBC Mortgage Fund - Notice of Correction

The date was inadvertently omitted from the MRRS Decision in *HSBC Investment Funds and HSBC Mortgage Fund*, published at (2008), 31 OSCB 2239 on February 29, 2008. This decision should be dated February 6, 2008.

1.1.4 OSC Staff Notice 11-761 - IOSCO Consults on Changes to Code of Conduct for Credit Rating Agencies

OSC STAFF NOTICE 11-761

IOSCO CONSULTS ON CHANGES TO CODE OF CONDUCT FOR CREDIT RATING AGENCIES

On March 26, 2008, the Technical Committee of the International Organization of Securities Commissions (IOSCO) published for consultation its report on *The Role of Credit Rating Agencies in Structured Finance Markets*, which includes proposed changes to the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies (Code of Conduct).

The report discusses the role of credit rating agencies (CRAs) in the recent credit crisis and proposes ways to strengthen processes and procedures at CRAs. In particular, the report proposes expanding upon the Code of Conduct provisions relating to (a) the quality and integrity of the rating process, (b) CRA independence and avoidance of conflicts of interest, (c) CRA responsibilities to the investing public and issuers, and (d) disclosure of the CRA's code of conduct and communication with market participants. After the consultation period, the comments will be reviewed and a final report will be prepared.

The report can be downloaded from IOSCO's website at http://www.iosco.org/library/pubdocs/pdf/IOSCOPD263.pdf.

The comment period for the report will remain open until April 25, 2008. Please submit comments by e-mail to k.allen@iosco.org. Please include in the subject line of the e-mail "Comments on the IOSCO Technical Committee Consultation Report on Credit Rating Agencies".

Please do not submit comments to the Ontario Securities Commission.

Questions may be referred to:

Ilana Singer
Senior Advisor, International Affairs
Office of Domestic and International Affairs
Ontario Securities Commission
(416) 593-2388
isinger@osc.gov.on.ca

March 28, 2008

1.2 Notices of Hearing

1.2.1 Biovail Corporation et al.

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

NOTICE OF HEARING

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act") at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor, Tuesday, April 22, 2008 at 2:00 pm or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to sections 127(1) and 127.1 of the Act, it is in the public interest for the Commission:

(a) to make an order pursuant to section 127(1) clause 2 of the Act that trading in securities by Eugene N. Melnyk ("Melnyk"), Brian H. Crombie ("Crombie"), John R. Miszuk ("Miszuk") and Kenneth G. Howling ("Howling") cease permanently;

(b) to make an order pursuant to section 127(1) clause 2.1 that acquisition of any securities by Melnyk, Crombie, Miszuk and Howling be prohibited;

(c) to make an order pursuant to section 127(1) clause 3 of the Act that any or all exemptions contained in Ontario securities law do not apply to Biovail, Melnyk, Crombie, Miszuk and Howling;

(d) to make an order pursuant to section 127(1) clause 4 of the Act that Biovail institute such changes as may be ordered by the Commission and submit to a review of its practices and procedures;

(e) to make an order pursuant to section 127(1) clause 6 of the Act that Biovail, Melnyk, Crombie, Miszuk and Howling be reprimanded;

(f) to make an order pursuant to section 127(1) clause 7 of the Act that Melnyk, Crombie, Miszuk and Howling resign all positions which they hold as an officer or director of any issuer;

(g) to make an order pursuant to section 127(1) clause 8 of the Act that Melnyk, Crombie, Miszuk and Howling be prohibited from becoming or acting as an officer or director of any issuer;

(h) to make an order pursuant to section 127(1) clause 9 of the Act that Biovail, Melnyk, Crombie, Miszuk and Howling each pay an administrative penalty of $1 million for each failure by that Respondent to comply with Ontario securities law;

(i) to make an order pursuant to section 127(1) clause 10 of the Act that Biovail disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law;

(j) to make an order pursuant to section 127.1 of the Act that Biovail, Melnyk, Crombie, Miszuk and Howling pay the costs of Staff's investigation and the costs of, or related to, this proceeding, incurred by or on behalf of the Commission; and

(k) to make such other order or orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated March 24, 2008, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 24th day of March, 2008.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

The Respondents

1. Biovail Corporation ("Biovail") is a reporting issuer in the province of Ontario. The common shares of Biovail are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

2. Biovail is a fully integrated international pharmaceutical company applying advanced proprietary controlled-release, rapid dissolve, enhanced absorption and taste masking drug delivery technologies to the development of generic formulations of medications.

3. Eugene N. Melnyk ("Melnyk") was the Chairman of the Board of Directors of Biovail until his resignation from the Board effective June 30, 2007. From December 2001 to October 2004 Melnyk was Chairman and Chief Executive Officer of Biovail. Melnyk resigned as CEO of Biovail on October 8, 2004. Melnyk first became a Director of Biovail in March of 1994. Melnyk became Executive Chairman of the Board of Biovail in November of 2004 and relinquished that title on June 27, 2006.

4. Brian H. Crombie ("Crombie") was the Chief Financial Officer of Biovail from May 2000 to August 2004. He became the Senior Vice-President, Strategic Development in August 2004. Crombie left Biovail in 2006.

5. John R. Miszuk ("Miszuk") is currently Vice-President, Controller and Assistant Secretary of Biovail. He has held the positions of Vice-President and Controller since November of 1997, and the position of Assistant Secretary since June of 2000.

6. Kenneth G. Howling ("Howling") is a Senior Vice-President and he has held the position of Chief Financial Officer of Biovail since December of 2006. Howling was Biovail's Vice-President, Finance and Corporate Affairs from October 2004 to 2006 and Vice-President, Finance from May 2000 to October 2004. During the Material Time (as defined below), Howling also served as Biovail's head of investor relations.

Overview of Allegations

7. The conduct at issue relates to Biovail's annual financial statements for the fiscal year ended December 31, 2001, interim financial statements for Q3 of 2001, Q1, Q2 and Q3 of 2002, and Q1, Q2 and Q3 of 2003, as well as conduct concerning Biovail's disclosure during that time. These time periods are referred to individually as the "Relevant Fiscal Periods" and collectively as the "Material Time".

8. As a reporting issuer in Ontario, Biovail has continuous disclosure obligations pursuant to Part XVIII of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"). Sections 77 and 78 of the Act and related provisions in the Regulations direct that all financial statements filed with the Commission must be prepared in accordance with generally accepted accounting principles ("GAAP") recommended in the Handbook of the Canadian Institute of Chartered Accountants. Moreover, all financial statements and other material filed with the Commission must not be misleading or untrue or omit a fact which would render them misleading.

9. Because its shares trade on the New York Stock Exchange, Biovail is subject to filing requirements with the United States Securities and Exchange Commission ("SEC"). In discharging these filing requirements, Biovail filed with the SEC for each of the Relevant Fiscal Periods financial statements which represented that they had been prepared in accordance with U.S. GAAP. As required by Ontario securities law, these U.S. GAAP financial statements were also filed with the Commission.

10. Thus, for each interim and annual reporting period Biovail filed two sets of financial statements with the Commission: one set which represented that they had been prepared in accordance with Canadian GAAP, and one set which represented that they had been prepared in accordance with U.S. GAAP.

11. Biovail filed with the Commission during the Material Time financial statements that, while represented to be prepared in accordance with Canadian GAAP, were not prepared in accordance with Canadian GAAP and therefore such filings were contrary to sections 77 and 78 of the Act. Further, Biovail's representations that the financial statements had been prepared in accordance with Canadian GAAP were misleading or untrue, contrary to Ontario securities law and the public interest.

12. Biovail made representations in its U.S. financial statements filed with the Commission for each of the Relevant Fiscal Periods that the U.S. financial statements had been prepared in accordance with U.S. GAAP. These representations were materially misleading or untrue, contrary to Ontario securities law and the public interest, because the U.S. financial statements were not prepared in accordance with U.S. GAAP.

13. The misconduct giving rise to these allegations falls into six general categories:

    (i) Biovail's failure to account properly for a special purpose entity in its annual financial statements for the year ended December 31, 2001, and interim financial statements for Q3 of 2001, and Q1, Q2, and Q3 of 2002;

    (ii) Biovail's failure to disclose in its filings with the Commission (Biovail's "Public Disclosure" as particularized in the attached Schedule "A") the establishment of and its arrangements with the special purpose entity;

    (iii) Biovail's improper recognition in its interim financial statements for Q2 of 2003 of revenue relating to a purported sale of Wellbutrin XL tablets;

    (iv) Biovail's failure to correct and disclose, on a timely basis, a known material error in its 2003 financial statements;

    (v) Biovail's materially misleading or untrue statements in certain press releases in October 2003 and March 2004, in an analyst conference call held on October 3, 2003, and in investor meetings held in October 2003 relating to a truck accident; and

    (vi) Biovail's provision of materially misleading information to OSC Staff during a continuous disclosure review conducted in 2003 and 2004.

Biovail's Failure to Account Properly for a Special Purpose Entity

14. In 2001, Biovail created a special purpose entity called Pharmaceutical Technologies Corporation ("PTC") which it controlled and from which it had the right to obtain future economic benefits while also being exposed to the related risks. The particulars of Biovail's arrangements with PTC are set out below.

(a) Establishment of PTC

15. PTC was a development-stage company created to engage in the application of Biovail's drug delivery technologies to the formulation and development of a portfolio of Biovail products.

16. The creation of PTC was intended to allow Biovail to transfer $125 million worth of research and development expenses off of its income statement.

17. Biovail sponsored the creation of PTC which was incorporated under the laws of Barbados on June 28, 2001.

18. A Barbados law firm which had provided legal services to Biovail in the past (the "Barbados Law Firm") was involved with the incorporation of PTC. PTC did not have a physical location and it used the address of the Barbados Law Firm as a mailing address.

(b) The PTC Equity Investor

19. On June 28, 2001, an individual equity investor acquired 100% of the common shares of PTC for U.S. $1 million, of which $350,000 was immediately refundable to the equity investor as a fee. The equity investor had acted as a consultant to Biovail from November 1999 to November 2001.

(c) The PTC Board of Directors

20. The board of PTC comprised the equity investor, alternating members of the Barbados Law Firm (the "Barbados Law Firm Directors") and a businessman residing in Barbados (the "Barbadian Businessman").

21. One of the Barbados Law Firm Directors and the Barbadian Businessman were acquaintances of certain Biovail representatives. They were recommended by those Biovail representatives for appointment to the PTC board.

(d) The PTC Officers and Employees

22. The equity investor held the position of President and Chief Executive Officer of PTC. One of the Barbados Law Firm Directors briefly served as the Secretary of PTC and was replaced in that capacity by the wife of the equity investor. The equity investor's Assistant and the Barbadian Businessman served as vice-presidents of PTC.

23. PTC's Financial Controller was referred to PTC by a Biovail representative. All of PTC's officers and employees held other employment contemporaneous with their positions at PTC.

24. An American law firm which had done some legal work for Biovail in the past was retained to administer the business of PTC.

(e) Arrangements between Biovail and PTC

The Product Development and Royalty Agreement

25. On June 29, 2001, PTC entered into a Product Development and Royalty Agreement ("PDRA") with Biovail. Under the PDRA, PTC contracted to develop six products owned by Biovail Laboratories Inc. ("BLI"), a Biovail subsidiary, in exchange for the receipt of royalties upon the commercialization and sale of these products. PTC was also granted a license to use certain technology owned by BLI to complete the development of the products.

26. Biovail agreed to indemnify PTC against any losses arising from product liability claims and allegations of infringements of intellectual property rights in respect of products developed on its behalf under the PDRA.

27. Biovail had the discretion to change the development program or budget, as well as to set priorities for any part of the program should Biovail and PTC be unable to agree on such changes.

The Advisory Agreement

28. On June 29, 2001, PTC entered into an Advisory Agreement ("AA") with Biovail pursuant to which Biovail would provide strategic and scientific advisory services and management and administrative services to PTC. More specifically, under the AA, Biovail would provide strategic advice on the formulation, clinical development, regulatory strategy and commercial exploitation of pharmaceutical products and scientific and technical assistance in evaluating the ability of developers to develop the products.

The Share Option Agreement

29. On June 29, 2001, the equity investor entered into a Share Option Agreement ("SOA") pursuant to which the equity investor granted to Biovail an irrevocable option, exercisable at any time until December 31, 2006 and at Biovail's sole discretion, to purchase all, but not less than all, of the outstanding common shares of PTC (the "Purchase Option").

30. Several restrictive covenants concerning the operations and financing of PTC were imposed under the SOA, including a prohibition on engaging in any business activity other than research and development pursuant to the PDRA, a prohibition on increasing PTC's indebtedness or making any loans to other entities, a prohibition on the disposition of PTC shares by the equity investor to any person, and a prohibition on the issuance of additional PTC shares to any person.

(f) The PTC Financing

Biovail's prior relationship with Bank A

31. In December of 2000, Biovail had arranged through a major Canadian bank ("Bank A") a U.S. $300 million revolving term credit facility which was initially fully underwritten by Bank A, and subsequently syndicated to other financial institutions. In June 2001, at the time of negotiating the financing of PTC, Bank A retained U.S. $100 million of the

Biovail credit facility which by that time had been increased to U.S. $400 million. Bank A was and is Biovail's principal banker.

32. Bank A was also a lender to Melnyk during the Material Time, and to a holding company owned by him.

Biovail's involvement in negotiating the financing of PTC

33. In the spring of 2001, Biovail engaged Bank A in discussions regarding the provision of credit to PTC. At that time, Biovail estimated that PTC would require funding in excess of U.S. $100 million for it to carry out its mandate.

34. Many of the negotiations were conducted between Bank A and Biovail representatives. During these negotiations, Bank A's representatives met with the equity investor only once.

35. During the negotiations, in order to secure financing for PTC, Biovail made the following representations to Bank A:

a) *The products were significant to Biovail:* The success of the products licensed to PTC was integral to the profitability of Biovail. These products represented Biovail's key mid-term product pipeline. In mid-2001 the expected value of the products was estimated to be $1 billion. The products were estimated to have a value of $2.4 billion as at December 31, 2002. Biovail had announced in its public disclosure that four of the products were key development products and this fact had been reflected in Biovail's market capitalization.

b) *Biovail's inherent equity in PTC:* Although the capitalization of PTC was nominal, Biovail had invested substantial value into PTC in the form of: (1) Biovail's $245 million acquisition of a particular technology that would be used primarily by PTC; (2) R&D costs of $31.7 million that Biovail had already incurred on the products; (3) Biovail's central R&D operation in Virginia was largely focused on the development of the products licensed to PTC; and (4) approximately 25% of Biovail's manufacturing plant in Puerto Rico, acquired for $11 million, had been dedicated towards the manufacture of the products licensed to PTC.

c) *Desire to retain royalties:* Biovail informed Bank A that a present value calculation would lead to a common sense decision that it would want 100% of the PTC royalties. Biovail indicated that there would be a compelling business reason for Biovail to purchase PTC at the end of 2003 since PTC's net present value at that time would eclipse the cost to acquire it. Although Biovail had not formally committed to acquiring PTC, there was a business case to do so.

d) *Protection of technologies:* The financing was secured by an assignment of the technology license granted by Biovail to PTC. Biovail indicated to Bank A that it would not want its competitors to gain access to the trade secrets and technology assigned to PTC. Accordingly, Bank A's ability to further assign the technology licence would provide additional incentive to Biovail to exercise its Purchase Option.

e) *Effective annual put:* Biovail indicated to Bank A that the ability to review the financing on an annual basis should be viewed as an effective put of the loan to Biovail in that, should the financing cease, Biovail would have a commercially compelling reason to exercise the Purchase Option.

f) *Over-collateralization of the structure:* Biovail indicated to Bank A that it would have an economic incentive to exercise its Purchase Option if there were two successful product developments from the six products licensed (that is, a 33% success rate in product development). Bank A noted that Biovail had historically achieved an 80% success rate in product development.

Bank A's Financing Commitment

36. On June 29, 2001 PTC secured a commitment from Bank A to acquire secured promissory notes issued by PTC to a maximum value of U.S. $60,000,000 (the "PTC Credit Facility"). These notes were secured by PTC's rights under the PDRA.

37. Biovail provided Bank A with a Letter of Comfort dated June 29, 2001 which stated that Biovail would be responsible for PTC's debt if the Purchase Option were exercised.

(g) Syndication Efforts

38. In the fall of 2001, Bank A held discussions with various other financial institutions in an attempt to syndicate the PTC Credit Facility. Biovail representatives met with these financial institutions directly to attempt to secure the syndication of the PTC Credit Facility.

39. In addition, as Biovail had concerns about certain U.S. and Canadian banks' relationships with some of its competitors, Biovail played a key role in selecting syndication prospects.

40. Bank A approached another major Canadian bank ("Bank B") to syndicate the PTC credit facility.

41. Bank B's understanding of PTC came primarily from information provided to it by Biovail representatives. Bank B's representatives did not meet with any PTC representatives.

42. In attempting to obtain Bank B's participation in the syndicate, Biovail representatives repeated some of the representations previously made to Bank A. These representations included: the significance of the licensed products to Biovail, the desire to protect the technologies, the presence of an effective annual put, Biovail's desire to retain PTC's royalties and the overcollateralization of the PTC structure.

43. Biovail told Bank B that it would not guarantee the repurchase of PTC. However, Biovail provided comfort to Bank B regarding its need to repurchase PTC by highlighting certain facts. These representations included:

    a) Biovail needed to establish a track record with lenders so that Biovail could fund this type of transaction again in the future;

    b) Biovail would repurchase PTC before the U.S. Food and Drug Administration ("FDA") approved any of the products in order to capture a positive accounting impact on Biovail's income;

    c) PTC was over-collateralized in that the products to be developed by PTC represented 25% of Biovail's total product pipeline, most of its mid-term product pipeline and was composed largely of late-stage products including "blockbuster" opportunities;

    d) Biovail had a proven track record of success in that six of its eight previously developed drug candidates were approved and taken to market;

    e) Biovail was motivated to avoid the sub-licensing of its proprietary technology to its competitors and, for this reason, Biovail would be incented to repurchase PTC even if it did not make economic sense to do so;

    f) the annual review feature meant that Biovail was effectively providing the lenders with a put option; and

    g) PTC was effectively a Biovail credit since the ramifications for Biovail of not repurchasing PTC were immense.

44. A Biovail representative continued to work on the syndication effort into December of 2001. In or around February of 2002, the Investment Committee of Bank B approved U.S. $15 million worth of financing for PTC. Ultimately, however, Bank B did not advance these funds due to market concerns regarding special purpose entities that arose subsequent to its approval decision. In the end, Bank A and Biovail failed to syndicate any portion of the PTC Credit Facility.

(h) Biovail's Involvement with the Operating Activities of PTC

45. Biovail was involved in the ongoing administration of PTC. Specifically, Biovail assisted PTC with: wire payments, draw requests on the credit facility, reconciliation of financial information, the contemplated migration of PTC to either Bermuda or the British Virgin Islands, employee referrals, accounting firm referrals, the review of Board of Directors meeting minutes and resolutions before execution, the preparation of certificates appointing an alternate Director, and the assignment of developer contracts.

Research and Development

46. Pursuant to the AA, Biovail recommended to the PTC board the names of the entities that would carry out the development of the licensed products. Biovail's own affiliates performed approximately 20-30% of PTC's research and development work.

Payment of invoices

47. Some of PTC's third party invoices were addressed to Biovail. Some third party invoices were paid by a Biovail affiliate which was subsequently reimbursed by PTC. Biovail also reviewed the appropriateness of third party invoices on PTC's behalf.

Alternative financing

48. In the summer of 2002, in response to uncertainty about whether Bank A would continue to extend credit to PTC, Biovail engaged in discussions with two prospective corporate investors in an attempt to secure alternative financing for PTC, but was unsuccessful. Ultimately, Bank A granted a six-month extension of the PTC Credit Facility.

(i) The Acquisition of PTC

49. Consistent with the "put" representations made to Bank A and Bank B, when Bank A declined to further extend the PTC Credit Facility, Biovail exercised its option to acquire 100% of the outstanding shares of PTC for U.S. $22.6 million. On December 31, 2002, the PTC Credit Facility was repaid by PTC from the proceeds of a loan obtained by the equity investor. This loan was collateralized by funds placed in escrow by Biovail for the acquisition of PTC.

(j) Summary – Biovail's Failure to Consolidate PTC Under Canadian GAAP

50. Thus, taking into account the confluence of factors described above, from the date of PTC's incorporation, Biovail controlled PTC and had the right to obtain economic benefits from and was exposed to the related risks of PTC. In failing to consolidate PTC in its Canadian GAAP financial statements prior to the date it acquired 100% of the equity of PTC on December 31, 2002, Biovail did not comply with Canadian GAAP, contrary to Ontario securities law and the public interest.

51. Biovail's failure to consolidate PTC in its financial statements prior to acquiring 100% of the equity of PTC resulted, among other things, in the overstatement of Biovail's net income and the understatement of debt. If Biovail had consolidated PTC in 2001 and 2002, as required under Canadian GAAP, Biovail's financial statements would have, among other things, reflected higher research and development expenses, lower net income and lower earnings per share.

Biovail's Failure to Comply With U.S. GAAP in Accounting for its Arrangements with PTC

52. Based on the factors described above, it was probable that Biovail would repay the debt of PTC to Bank A regardless of the outcome of PTC's product development activities. Therefore, in its U.S. GAAP financial statements, Biovail should have recorded the liability and charged development costs to expense as incurred. In failing to do so, Biovail did not comply with U.S. GAAP. Biovail's representations in its U.S. financial statements that the statements had been prepared in accordance with U.S. GAAP were materially misleading or untrue, contrary to Ontario securities law and the public interest.

Biovail's Failure to Disclose the Establishment of and its Arrangements with PTC

53. During the period from June 2001 to December 2002 an issuer's continuous disclosure obligations included the filing of an Annual Information Form ("AIF") and an annual and interim Management's Discussion & Analysis ("MD&A") accompanying its financial statements. OSC Rule 51-501- "AIF & MD&A" set out the filing and delivery requirements of AIF and MD&A, as well as the form and content of these documents. The AIF was to be prepared in accordance with Form 44-101F1 and the MD&A was to be prepared in accordance with Form 44-101F2.

54. Pursuant to these disclosure requirements, Biovail was required to disclose, among other things, any event occurring during the reporting period that was reasonably expected to have a material effect on Biovail's business, financial condition or results of operations. Biovail filed AIFs and annual and interim MD&As during the Material Time.

55. In addition, Biovail was required to provide full, true and plain disclosure of material facts in its prospectuses.

56. On November 5, 2001, Biovail filed a Short Form Base Shelf Prospectus with the Canadian provincial securities commissions in relation to the potential sale of up to U.S. $1.5 billion in any combination of common shares, debt securities and warrants. Subsequently, on November 13, 2001 and March 26, 2002, Biovail filed two Prospectus Supplements for offerings of 12.5 million common shares for U.S. $587.5 million and U.S. $400 million of senior subordinated notes, respectively (the "Prospectus Supplements"). The Prospectus Supplements incorporated the Q3 interim financial statements for the 2001 fiscal year. All of these filings are referred to collectively as the "Prospectuses".

57. The transfer of the development of the products and the related development expenses from Biovail to PTC was an event that was reasonably expected to have a material effect on Biovail's business, financial condition or results of operations and was a material fact.

58. Biovail first disclosed the existence of PTC in a Form 20-F filed on May 20, 2003, which contained the annual and Q4 interim financial statements for its 2002 fiscal year. This was several months after Biovail had exercised its option to acquire all of the outstanding shares of PTC. Biovail did not disclose at this time the nature and substance of its arrangements with PTC.

59. Biovail failed to disclose in its Public Disclosure during the Material Time the existence of PTC and the nature and substance of Biovail's arrangements with PTC contrary to the requirements of Ontario securities law and the public interest. Further, Biovail failed to make full, true and plain disclosure in its Prospectuses of material facts respecting the existence of PTC and the nature and substance of Biovail's arrangements with PTC. Finally, the Prospectus Supplements incorporated by reference financial statements that were not prepared in accordance with Canadian GAAP. In so doing, Biovail violated the requirements of Ontario securities law and acted in a manner contrary to the public interest.

60. Crombie, as Biovail's CFO during the Material Time, authorized, permitted or acquiesced in Biovail's misconduct in that:

    (a) Crombie had ultimate responsibility within Biovail for establishing, structuring, initiating and maintaining financing for PTC as well as its ongoing administration;

    (b) Crombie made the representations detailed above to Bank A and Bank B concerning PTC;

    (c) at no time did Crombie inform Biovail's auditors of the representations that he had made concerning PTC to Bank A and Bank B. Such information was material to the proper accounting treatment of PTC;

    (d) Crombie certified Biovail's Public Disclosure for its fiscal year ended December 31, 2001. He also certified that its Public Disclosure for Q2 and Q3 of 2002 "fairly present[ed], in all material respects, the financial condition and results of operations of" Biovail; and

    (e) Crombie certified that the Prospectuses contained "full, true and plain disclosure of all material facts" relating to Biovail shares and that they did not contain "any misrepresentation likely to affect the value or the market price" of Biovail shares.

Misleading Information Provided to OSC Staff during Continuous Disclosure Review

61. Biovail made statements to Staff during the course of Staff's continuous disclosure review in 2003 and 2004 that, in a material respect and at the time and in the light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading. In so doing, Biovail violated Ontario securities law and engaged in conduct contrary to the public interest.

62. During the continuous disclosure review, Staff requested information from Biovail in relation to several issues, including the arrangements between Biovail and PTC. Biovail provided written responses that were materially misleading or untrue. These included Biovail's written response dated January 28, 2003 and, in particular, the statement: "[n]one of Biovail, nor any of its affiliates, directors or officers were involved in the formation of [PTC]"; and Biovail's written response dated July 9, 2003 and, in particular, the statements: "we confirm that Biovail was not involved in the negotiation of [PTC's] financing" ,"[t]o our knowledge, [PTC] had office space in Barbados and New York" and "neither [PTC] nor its lender has any contractual, contingent or constructive right or ability to [p]ut [PTC's] shares or its royalty interest to Biovail".

63. Crombie signed and had ultimate responsibility for the written responses to Staff's questions detailed above. He thereby permitted, authorized or acquiesced in Biovail's misconduct.

Improper Revenue Recognition in Q2 2003 Financial Statements – the Wellbutrin XL Bill and Hold Arrangement

64. On July 29, 2003, Biovail released its financial results for the quarter ending June 30, 2003 (the "Q2 2003 Press Release"). These results were further disseminated in a conference call and webcast held on July 29, 2003 (the "Q2 2003 Analyst Call"). Biovail subsequently filed financial statements for this quarter with the Commission on August 29, 2003 (the "Q2 2003 Financial Statements").

65. The Q2 2003 Press Release, Q2 2003 Analyst Call and the Q2 2003 Financial Statements included in Biovail's revenue for the quarter approximately U.S. $8 million relating to an arrangement involving a purported sale of Wellbutrin XL ("WXL") tablets to a large American pharmaceutical company (the "Distributor") on a "bill-and-hold" basis.

Inclusion of this amount in revenue for the quarter increased Biovail's operating income by approximately U.S. $4.4 million. This inclusion was improper.

(a) The Wellbutrin XL Agreement

66. On October 26, 2001, Biovail (through its subsidiary BLI) entered into a Development, License and Co-Promotion Agreement with the Distributor. This agreement was modified by a Memorandum of Understanding effective January 1, 2003 (together, these two documents form the "Agreement"). Under the Agreement, Biovail agreed to manufacture and supply all of the Distributor's requirements for tablets of WXL.

67. Under the Agreement, Biovail was to supply the Distributor with WXL tablets at two price points: "trade" prices for tablets which were to be sold to the public, and "sample" prices for tablets which were to be distributed free through physicians in order to promote the tablets in the marketplace.

68. Under the Agreement, the prices were fixed for sample tablets. Prices for trade tablets were based upon a tiered percentage of the Distributor's net sales of WXL, and were higher than the sample tablet prices. The Agreement contemplated that Biovail would package the trade tablets at its own expense.

69. At the time of entering into the Agreement, WXL had not been approved by the FDA and thus could not be sold to the public. In addition, the tablets could not be packaged until FDA approval was received.

70. The FDA approved WXL for packaging and sale on August 28, 2003.

(b) The Distributor's Purchase Orders

71. In April 2003, the Distributor established standard terms for its purchases of WXL from Biovail, and sent out an initial order for 30,400,000 WXL tablets at the agreed sample prices (the "April Purchase Order"). These tablets were requested for June delivery.

72. On June 19, 2003 Biovail contacted the Distributor and requested that, prior to June 30, 2003, the Distributor place an order for WXL tablets at fixed trade prices. Specifically, Biovail proposed that these tablets be purchased at fixed trade prices, rather than the tiered percentage of the Distributor's net sales specified in the Agreement, and that the Distributor pay a separate $1.00 per bottle packaging fee. If the Distributor failed to place such an order, Biovail indicated, it would not fully commit its manufacturing facilities to producing WXL tablets in advance of the product launch.

73. In response, on June 20, 2003, the Distributor sent Biovail a purchase order requesting 27,090,000 WXL tablets at fixed trade prices per tablet and a $1.00 per bottle packaging fee (the "June Purchase Order"). The June Purchase Order also repeated the Distributor's request from the April Purchase Order for 30,400,000 WXL tablets at sample prices. The June Purchase Order provided that all of these tablets were required for June delivery. The June Purchase Order referenced the standard terms contained in the April Purchase Order and contained no provisions relating to Biovail's retention and storage of any of the WXL tablets.

(c) The Recognition of Revenue

74. On June 30, 2003, Biovail invoiced the Distributor for a total of 18,020,244 WXL tablets at fixed trade prices for a total amount of $8,073,051.24 (the "June Invoice"). Biovail recorded this latter figure as revenue for its fiscal quarter ending June 30, 2003. The inclusion of this revenue increased Biovail's operating income for the quarter by approximately $4.4 million, which was a material amount. Biovail did not ship any WXL tablets to the Distributor in June of 2003.

(d) The Purported Bill-And-Hold Arrangement

75. The June Invoice identified by lot number the specific WXL tablets that it encompassed (the "Specified Tablets"). Biovail represents to Staff that, subsequent to June 30, 2003, it maintained the Specified Tablets in a segregated area of its warehouse in Steinbach, Manitoba. Biovail did not, however, supply the Specified Tablets to the Distributor in accordance with the terms reflected on the June Purchase Order and the June Invoice.

76. Biovail was aware that the Specified Tablets had a limited shelf life. In July 2003 Biovail determined that it would begin to replace the Specified Tablets with new WXL tablets and sell the Specified Tablets at the sample prices, rather than the fixed trade prices set out in the June Invoice (the "Pill Switch"). When Biovail determined that it would go forward with the Pill Switch, it had not yet manufactured a substantial portion of the new WXL tablets.

77. In July 2003, during the review of Biovail's Q2 2003 financial statements by Biovail's auditors, Biovail was questioned about the sale of the Specified Tablets at fixed trade prices. Biovail did not, at that time, inform its auditors of the purported bill-and-hold arrangement or of the Pill Switch.

78. Beginning in August 2003, Biovail shipped the Specified Tablets to the Distributor. The Specified Tablets were shipped in bulk and were never packaged by Biovail. The majority of the Specified Tablets were re-invoiced to the Distributor at the lower sample prices.

79. In September 2003, Biovail reversed the June Invoice. Biovail began to ship to the Distributor newly manufactured WXL tablets and issued another set of invoices at the fixed trade prices originally set out in the June Invoice.

80. In early 2004, as part of their 2003 year-end audit, Biovail's auditors questioned the WXL revenue recorded on June 30. In response, Biovail represented that the WXL arrangement had been conducted on a bill-and-hold basis. Biovail represented that it had reached an agreement with the Distributor prior to June 30, 2003 that the Specified Tablets would be initially segregated within its warehouse and later shipped to the Distributor after FDA approval was received.

81. There was no contemporaneous documentation reflecting such an agreement between Biovail and the Distributor. Biovail once again did not inform the auditors of the Pill Switch, and it misled them about the true reason for the reversal of the June Invoice, claiming it had been reversed for purely administrative reasons.

(e) Premature Recognition of Revenue

82. Biovail should not have recognized the revenue from the WXL arrangement on June 30, 2003. The primary purpose for seeking the bill-and-hold arrangement in June 2003 was Biovail's desire to recognize revenue for trade sales of WXL in Q2, rather than any requirement on the part of the Distributor to obtain supplies of WXL for sale to the public. Indeed, it was Biovail, and not the Distributor, that initiated the arrangement by threatening not to manufacture sufficient quantities of WXL tablets unless the Distributor placed a purchase order for the trade tablets prior to June 30, 2003.

83. Biovail artificially separated the task of packaging the Specified Tablets from the task of manufacturing the Specified Tablets in order to represent that it had completed all significant acts of performance associated with the arrangement.

84. There was no fixed schedule for the delivery of the Specified Tablets to the Distributor. Rather, the Specified Tablets were allegedly to be delivered at some unascertained future date following the receipt of FDA approval.

85. The Specified Tablets were not maintained in proper segregation within Biovail's Steinbach plant.

86. Finally, Biovail re-priced almost all of the Specified Tablets to the lower sample prices rather than the fixed trade prices reflected in the June Invoice.

87. The combination of all of these factors meant that, as of June 30, 2003, the arrangement between Biovail and the Distributor regarding the Specified Tablets did not meet the criteria for recognition of revenue in accordance with Canadian GAAP. Biovail should not have recognized revenue in its Q2 2003 Financial Statements from the purported bill-and-hold arrangement. The arrangement also did not meet the criteria for the recognition of revenue under U.S. GAAP.

88. As a result, Biovail made materially misleading or untrue statements in its Q2 2003 Press Release and Q2 2003 Analyst Call which disseminated the financial results incorporating this improperly recognized revenue. These materially misleading and untrue statements have not been corrected in subsequent public filings by Biovail.

89. The Q2 2003 Financial Statements, Q2 2003 Press Release and Q2 2003 Analyst Call also contained inaccurate and misleading statements by Biovail that it had "supplied" WXL tablets to the Distributor in Q2 2003. All of this conduct violated Ontario securities law and was contrary to the public interest.

90. Crombie and Miszuk authorized, permitted or acquiesced in Biovail's misconduct in that:

(a) Crombie had ultimate responsibility within Biovail for conducting the negotiations with the Distributor regarding the purported bill-and-hold arrangement;

(b) Crombie and Miszuk had responsibility within Biovail for the accounting treatment of the purported bill-and-hold arrangement;

(c) Crombie initiated and Miszuk authorized the Pill Switch on behalf of Biovail;

(d) in July of 2003, Crombie and Miszuk failed to inform Biovail's auditors of the purported bill-and-hold arrangement or of the Pill Switch;

(e) in early 2004, Crombie and Miszuk once again failed to inform Biovail's auditors of the Pill Switch and misled them about the true reasons for the reversal of the June Invoice;

(f) Crombie certified and Miszuk signed Biovail's Public Disclosure for Q2 2002; and

(g) Crombie was present during the Q2 2003 Analyst Call but did not correct the misstatement made by other Biovail representatives regarding "suppl[ying]" WXL tablets to the Distributor during the quarter.

Misleading Information Provided to OSC Staff During Continuous Disclosure Review

91. Biovail made statements to Staff during the course of Staff's continuous disclosure review in 2003 and 2004 that, in a material respect and at the time and in the light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading. In so doing, Biovail violated Ontario securities law and engaged in conduct contrary to the public interest.

92. During the continuous disclosure review, Staff requested information from Biovail in relation to several issues including the facts underlying the recognition of revenue for the purported sale of WXL tablets to the Distributor. Biovail provided responses to Staff that were materially misleading or untrue. These responses include Biovail's written response dated April 13, 2004, and, in particular, the statements: "[t]he Company stored this product belonging to [the Distributor] in a clearly marked, segregated space within its Steinbach warehouse", "[t]he Company invoiced [the Distributor] for these sales on June 30, 2003 under its normal trade terms of net 30 days. There were no unusual or modified billing or credit terms" and "[t]his product was sold to [the Distributor] at a fixed price, and was not subject to any downward reconciliation".

93. Crombie signed and had ultimate responsibility for the written responses to Staff's questions detailed above. He thereby permitted, authorized or acquiesced in Biovail's misconduct.

Biovail's Failure to Correct and Disclose on a Timely Basis a Known Material Financial Statement Error – The Foreign Exchange Error

94. On April 29, 2003 Biovail released its financial results for the quarter ending March 31, 2003 (the "Q1 2003 Press Release"). As set out above, Biovail released its financial results for Q2 2003 on July 29, 2003. On October 30, 2003 Biovail released its financial results for the quarter ending September 30, 2003 (the "Q3 2003 Press Release"). Biovail subsequently filed financial statements for the first quarter on May 30, 2003 (the "Q1 2003 Financial Statements"), for the second quarter on August 29, 2003 and for the third quarter on November 28, 2003 (the "Q3 2003 Financial Statements").

95. Biovail failed to account properly for an obligation denominated in Canadian dollars in its Q1 2003 Financial Statements, its Q2 2003 Financial Statements and its Q3 2003 Financial Statements. Although Biovail's accounting error was identified by its accounting personnel in early July 2003, prior to the release of its Q2 2003 financial results and the filing of the Q2 2003 Financial Statements, Biovail did not disclose the error until it issued on March 3, 2004 its earnings release for the fourth quarter 2003 and the full fiscal year ended December 31, 2003 (the "March 3, 2004 Press Release").

96. In December of 2002, Biovail, through its subsidiary BLI, acquired the rights to certain drugs. In so doing, Biovail assumed an obligation denominated in Canadian dollars. Since Biovail reported its results in U.S. dollars, it was required to account for this obligation in its financial statements in U.S. dollars. Biovail properly accounted for this obligation in December 2002 when it converted the obligation from Canadian dollars to U.S. dollars using the then current U.S. $/CAN $ exchange rate ("FX Rate").

97. Canadian GAAP requires that any outstanding balance of a foreign currency denominated obligation that is a monetary item be revalued using the FX Rate current at each balance sheet date. At March 31, 2003, however, Biovail, continued to use the FX Rate from December 2002 (the "Error"). Biovail also continued to use the FX Rate from December 2002 on June 30, 2003 and September 30, 2003. The interim financial statements for Q1, Q2 and Q3 of 2003 therefore did not accurately reflect any exchange losses or gains and the outstanding balance of the obligation. Biovail thereby violated Ontario securities law and engaged in conduct contrary to the public interest.

98. In early July 2003, the Error was brought to the attention of Miszuk for resolution. Biovail took no steps to correct the Error in the Q1 2003 Financial Statements and failed to properly account for the obligation in its Q2 2003 Financial

Statements and its Q3 2003 Financial Statements. As a result, Biovail overstated its net income for the quarter by approximately U.S. $5 million in its Q1 2003 Financial Statements and approximately U.S. $4 million in its Q2 2003 Financial Statements. It understated its net income for the quarter by approximately U.S. $3 million in its Q3 2003 Financial Statements.

99. As described above, the Error was identified by senior Biovail accounting personnel in early July 2003, prior to the release of Biovail's Q2 2003 financial results and the filing of its Q2 2003 Financial Statements, but Biovail did not disclose the Error until it issued the March 3, 2004 Press Release. The March 3, 2004 Press Release did not state that Miszuk and Biovail had learned of the Error the previous July. The Error was not corrected until Biovail filed restated interim financial statements for Q1, Q2 and Q3 of 2003 on May 14, 2004.

100. Taken together, the improper recognition of revenue from the WXL bill-and-hold arrangement and the continuing use of the FX Rate from December 31, 2002 overstated Biovail's Q2 2003 net income by approximately U.S. $8 million (excluding tax consequences).

101. As described above, in early July 2003, the Error was brought to Miszuk's attention for resolution. Miszuk failed to ensure that Biovail disclosed the Error prior to the release of its Q2 2003 Financial Statements. He failed to ensure that Biovail corrected the Error in the Q1 2003 Financial Statements. He also failed to ensure that Biovail properly accounted for the obligation in its Q2 2003 Financial Statements and its Q3 2003 Financial Statements. He signed Biovail's Public Disclosure for Q2 and Q3 of 2002. He thereby authorized, permitted or acquiesced in Biovail's misconduct.

Biovail Made Misleading or Untrue Statements in Press Releases – The Truck Accident

102. Biovail made statements in press releases issued on October 3, 8 and 30, 2003 and March 3, 2004 that in a material respect and at the time and in the light of the circumstances in which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading.

103. The press releases concerned Biovail's disclosure that its preliminary financial results for its third quarter of 2003 would be below previously issued guidance. Particulars of the materially misleading or untrue statements are outlined below.

(a) Biovail's Revenue and Earnings Expectations

104. On February 7, 2003, Biovail publicly disclosed in a press release its revenue and earnings guidance for 2003. The revenue range projected for the third quarter of 2003 was U.S. $260 million to U.S. $300 million.

105. Biovail did not achieve its third quarter 2003 revenue and earnings expectations. Rather, in its October 30, 2003 press release, Biovail reported U.S. $215.3 million in revenue for that quarter.

(b) The October 3, 2003 Press Release

106. In a press release issued on October 3, 2003 (the "October 3, 2003 Press Release"), Biovail stated that its preliminary results for its 2003 third quarter "will be below previously issued guidance…Contributing significantly to this unfavourable variance was the loss of revenue and income associated with a significant in-transit shipment loss of Wellbutrin XL as a result of a traffic accident … Revenue associated with this shipment is in the range of [U.S.] $10 to [U.S.] $20 million".

107. The statements contained in the October 3, 2003 Press Release were materially misleading or untrue. The traffic accident referred to in the press release was not a reason for Biovail's failure to meet its previously issued revenue guidance for the third quarter of 2003. Specifically, Biovail's statements were materially misleading or untrue in that:

(i) a truck carrying WXL tablets, destined for the Distributor's facility in the United States, departed from Biovail's warehouse in Steinbach, Manitoba on September 30, 2003;

(ii) the contractual delivery term between Biovail and the Distributor was "f.o.b. [the Distributor]'s facilities in the USA" (or, in short, f.o.b. destination). This delivery term meant that Biovail would be entitled to recognize the revenue associated with a WXL shipment only when that shipment reached the Distributor's facility;

(iii) the truck carrying the WXL shipment was scheduled to reach the Distributor's facility after September 30, 2003. Biovail, therefore, could recognize the revenue associated with the WXL shipment only in its fourth quarter which ended on December 31, 2003; and

(iv) on October 1, 2003, the truck carrying the WXL shipment was involved in an accident. However, given the f.o.b. destination contractual term, the truck accident had no impact on Biovail's revenue for its 2003 third quarter.

108. The October 3, 2003 Press Release also stated that "[r]evenue associated with the [WXL] shipment was in the range of [U.S.] $10 million to [U.S.] $20 million". This statement was misleading or untrue. Biovail could not recognize the associated revenue until its fourth quarter for the reasons outlined above. Further, Biovail's statement that the value of the WXL shipment was U.S. $10 million to U.S. $20 million was grossly inflated. Biovail later stated in a March 3, 2004 press release, discussed below, that the "actual revenue loss" from the shipment on the truck was U.S. $5 million.

(c) The October 8, 2003 Press Release

109. On October 8, 2003 an employee of the Distributor contacted Biovail to correct some of the misstatements made in the October 3, 2003 Press Release, including highlighting the correct WXL delivery term.

110. Also on October 8, 2003 an American investment bank issued a research report regarding Biovail's shares (the "Research Report") which, among other things, questioned the accuracy of Biovail's valuation of the WXL shipment involved in the accident as well as its description of the WXL delivery term. Other research analysts began to contact Biovail with questions regarding these issues.

111. In response, on the same date, Biovail issued a further press release (the "October 8, 2003 Press Release") which stated that Biovail had recovered the WXL shipment involved in the accident and that 60% of the shipment was saleable and might be re-shipped within 30 days. The press release went on to state "Biovail re-confirms that the sales value of these goods is within previously stated guidance".

(d) The October 30, 2003 Press Release

112. In its earnings press release for the third quarter of 2003 issued on October 30, 2003 (the "October 30, 2003 Press Release"), Biovail stated that "[a] late third quarter 2003 shipment of Wellbutrin XL involved in an accident outside of Chicago was returned to Biovail's facility on October 8, 2003 for inspection. No revenue was recognized from this shipment in Q3 2003."

(e) The March 3, 2004 Press Release

113. The March 3, 2004 Press Release stated that "Biovail announced [on October 3, 2003] that its estimated revenue from Wellbutrin XL for third quarter 2003 would be less than [U.S.] $10 million partially as a result of the truck accident and that the loss in revenue due to the accident would be in the range of [U.S.] $10.0 million to [U.S.] $20.0 million". The March 3, 2004 Press Release further stated that "the actual revenue loss from the accident was determined to be [U.S.] $5.0 million". In fact, Biovail knew that there was no revenue loss in Q3 2003 as a result of the truck accident.

114. The October 8 and October 30, 2003 Press Releases, and the March 3, 2004 Press Release contained materially misleading or untrue statements. These Press Releases continued to disseminate the prior materially misleading or untrue information provided by Biovail in its October 3, 2003 Press Release and failed to correct the incorrect information previously provided to the investing public.

(f) October 3, 2003 Analyst Call

115. Melnyk, Crombie and Howling participated in a conference call with analysts and a webcast held on October 3, 2003 following the release of the October 3, 2003 Press Release (the "October 3, 2003 Analyst Call"). During the October 3, 2003 Analyst Call, Biovail made statements that were materially misleading or untrue.

116. Specifically, during the conference call Biovail stated that the accident would have a material negative financial impact on its third quarter revenues. Biovail further stated that the negative impact of the truck accident on revenue would be in the range of U.S. $15 million to U.S. $20 million.

117. During the October 3, 2003 Analyst Call, an analyst questioned whether the accident would have fourth quarter rather than third quarter implications. Biovail responded that it was purely a third quarter issue.

118. For the reasons previously described, the above statements were materially misleading or untrue.

(g) October 2003 Investor Meetings

119. In October 2003, Melnyk, Crombie and Howling participated in a series of meetings with investors to, among other things, deal with questions surrounding the truck accident and the related announcements that followed (the "Investor Meetings"). The Investor Meetings took place in various cities on October 10, 13, 14 and 15 of 2003. The presentation materials contained similar materially misleading or untrue statements to those described above.

120. Specifically, the presentation materials included a slide with the heading "Revised third quarter guidance" which stated "Revenue and EPS effected (sic) by three items[:] 1. Wellbutrin XL shipment / traffic accident …". Another slide entitled "Wellbutrin XL – timing issue" stated "Impact to Q3 … Revenue [U.S.] $10 to [U.S.] $20 million".

121. In summary, in the October 3, 2003 Press Release, Biovail made the materially misleading and untrue claim that a truck accident was a reason for Biovail's failure to meet previously issued revenue guidance for the quarter. Also, Biovail disseminated materially misleading or untrue information in its statement that the revenue associated with the WXL shipment was in the range of U.S. $10 million to U.S. $20 million. Biovail repeated, or implicitly reinforced, the materially misleading and untrue claims during the October 3, 2003 Analyst Call, and in statements made in the October 8, 2003 Press Release, the October 30, 2003 Press Release, the March 3, 2004 Press Release and the Investor Meetings. Biovail thereby violated Ontario securites law and engaged in conduct contrary to the public interest.

122. Biovail knew or should have known that the information described above, which was disseminated to the public, was materially misleading or untrue.

123. Melnyk, Crombie and Howling authorized, permitted or acquiesced in Biovail's misconduct in that:

(a) they knew or should have known at all material times that the WXL delivery term precluded Biovail from recognizing any revenue associated with this shipment in the third quarter of 2003;

(b) they knew or should have known at all material times that the value of the WXL tablets that were lost in the truck accident was substantially below the U.S. $10 to U.S. $20 million figures that were initially provided;

(c) in particular, by October 2, 2003, before the first press release was made, Crombie was made aware of the WXL delivery term;

(d) by October 2, 2003, before the first press release was made, Melnyk and Howling should have known or taken steps to verify the WXL delivery term. In particular, on October 2, 2003 Melnyk and Howling were sent a draft press release by Crombie which contained the WXL delivery term;

(e) on October 8, 2003, Howling received a copy of the Research Report questioning the WXL delivery term and the valuation of the WXL damaged in the accident. Howling circulated the Research Report to Melnyk and Crombie;

(f) Howling also received information from the Distributor on October 8, 2003 highlighting the correct WXL delivery term. Howling forwarded this information to Melnyk and Crombie;

(g) Melnyk, Crombie and Howling all participated in the drafting of the October 3, 2003 Press Release, the October 8, 2003 Press Release, the October 30, 2003 Press Release and the March 4, 2004 Press Release;

(h) Melnyk, Crombie and Howling all participated in the October 3, 2003 Analyst Call; and

(i) Melnyk, Crombie and Howling all participated in the Investor Meetings.

Misleading Information Provided to OSC Staff During Continuous Disclosure Review

124. Biovail made statements to Staff during the course of Staff's continuous disclosure review in 2003 and 2004 that, in a material respect and at the time and in the light of the circumstances under which the statements were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading. In so doing, Biovail violated Ontario securities law and engaged in conduct contrary to the public interest.

125. During the continuous disclosure review, Staff requested information from Biovail in relation to several issues, including the truck accident. Biovail provided responses that were materially misleading or untrue. These responses include Biovail's written response dated April 13, 2004, and, in particular, the statement: "[i]t should be noted that the Company

did not ultimately lose any revenue from sales pursuant to the WXL Agreement for fiscal 2003 as any revenue not recognized in Q3 was recognized in Q4 upon re-shipment of product in Q4." Biovail failed to forthrightly advise Staff that the truck accident was not a reason for its failure to meet its revenue guidance for Q3, 2003.

126. Crombie signed and had ultimate responsibility for the written responses to Staff's questions detailed above. He thereby permitted, authorized or acquiesced in Biovail's misconduct.

Dated at Toronto this 24th day of March, 2008

SCHEDULE A – Biovail's Public Disclosure

Document Description	Content	Filing Date
Form 20-F – For the year ended December 31, 2001	AIF, Cdn. and U.S. GAAP MD&A and financial statements	21-May-2002
Form 20-F – For the year ended December 31, 2002	AIF, Cdn. and U.S. GAAP MD&A and financial statements	20-May-2003
Form 6K – For the quarter ended September 30, 2001	U.S. GAAP MD&A and financial statements	13-Nov-2001
Third Quarter 2001 Interim Report - For Canadian Regulatory Purposes	Cdn. GAAP MD&A and financial statements	13-Nov-2001
Form 6K - For the quarter ended March 31, 2002	Cdn.. and U.S. GAAP MD&A and financial statements	30-May-2002
Form 6K - For the quarter ended June 30, 2002	Cdn. and U.S. GAAP MD&A and financial statements	29-Aug-2002
Form 6K - For the quarter ended September 30, 2002	Cdn. and U.S. GAAP MD&A and financial statements	26-Nov-2002
Shelf Prospectus	---	05-Nov-2001
Prospectus Supplement	---	13-Nov-2001
Prospectus Supplement	---	26-Mar-2002

1.2.2 Gregory Galanis - s. 127

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

AND

IN THE MATTER OF
GREGORY GALANIS

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on a date to be fixed by the Commission or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether in its opinion it is in the public interest to make an order:

(a) pursuant to clause 1 of section 127(1) that the respondent's registration be suspended or restricted for such period as is specified by the Commission;

(b) pursuant to clause 2 of section 127(1) that trading in any securities by the respondent cease for such period as is specified by the Commission;

(c) pursuant to clause 2.1 of section 127(1) that acquisition of any securities by the respondent is prohibited for such period as is specified by the Commission;

(d) pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the respondent for such period as is specified by the Commission;

(e) pursuant to clause 6 of section 127(1) that the respondent be reprimanded;

(f) pursuant to clause 8.1 of section 127(1) that the respondent resign all positions he holds as a director or officer of a registrant;

(g) pursuant to clause 8.2 of section 127(1) that the respondent be prohibited from becoming or acting as a director or officer of a registrant;

(h) pursuant to clause 9 of section 127(1) that the respondent pay an administrative penalty for the failure to comply with Ontario securities law;

(i) pursuant to clause 10 of section 127(1) that the respondent disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law; and

(j) at the conclusion of the hearing, to make an order pursuant to section 127.1 that the respondent pay the costs of the investigation and hearing.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated March 18, 2008 and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel, if that party attends or submits evidence at the hearing;

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

DATED at Toronto this 18th day of March, 2008.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
GREGORY GALANIS**

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

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

A. The Respondent

1. At all material times, Galanis was an officer and the sole shareholder of Ascendant Capital Management, Inc. ("Ascendant"). Ascendant carried on business as an investment advisor to various hedge funds.

2. From August 22, 2000 until February 29, 2004, Ascendant was registered under Ontario securities law; initially, in the category of investment counsel and portfolio manager ("ICPM) and subsequently, as a limited market dealer ("LMD") and ICPM. From June 24, 2002 until February 13, 2004, Galanis was registered in the category of Officer, with Ascendant as the sponsoring firm.

3. At all material time, Galanis was also an officer of Eosphoros Asset Management Incorporated ("EAM Inc."), which was incorporated by Galanis in or around late 2003 for the purpose of carrying on the business of Ascendant under a rebranded corporate name. Galanis was the sole director, officer and shareholder of EAM Inc. In or around late 2003, Galanis began dissolving Ascendant and transferring its remaining assets to EAM Inc.

4. Following the termination of Galanis' registration as an Officer of Ascendant in February 2004, Galanis obtained registration in the categories of Officer, ICPM, Chief Executive Officer and Secretary, with EAM Inc. as the sponsoring firm.

B. The Offering

5. On May 13, 2004, McFarlane Gordon Inc. (now MGI Securities, Inc. and hereinafter referred to as "McFarlane Gordon") and Paradigm Capital Inc. entered into an engagement agreement with Dimethaid Research, Inc. (now NuVo Research, Inc. and hereinafter referred to as "Dimethaid") to act as underwriters for a proposed private placement of Dimethaid special warrants (the "Offering"). For each special warrant, the holder would be entitled to receive one unit, comprised of one common share of the company and one purchase warrant.

6. A draft term sheet was prepared by the underwriters for the proposed Offering (the "Draft Term Sheet") which priced the offering at a 20% discount to the market price (defined as the closing price on the day prior to the day the Offering is priced).

C. The Undisclosed Material Information

7. On the morning of May 20, 2004, McFarlane Gordon began pre-marketing the Offering by contacting institutional clients and sending out copies of the Draft Term Sheet.

8. That morning, Galanis was contacted by a trader at McFarlane Gordon. The trader advised Galanis of the proposed Offering and estimated the Offering to be priced at or around $.58-.60, which he advised represented an approximate 20% discount to the closing price of $0.73 on the day prior. The trader further advised Galanis that McFarlane Gordon was currently taking orders and that the book was more than half full. Galanis was also advised that trading in Dimethaid securities was not halted.

D. Insider Trading

9. Immediately following his discussion with the trader at McFarlane Gordon, Galanis placed an order to short sell 300,000 common shares of Dimethaid, at market, through an account in the name of Ascendant at Salman Partners, Inc. The order was filled at an average price of $0.644 per share.

10. Immediately upon placing the order for the short sale, Galanis contacted the trader at McFarlane Gordon to confirm that the pricing for the proposed Offering was likely to be in the range of $0.58-$0.60. Upon receiving such confirmation, Galanis placed a tentative subscription order with the trader for 300,000 special warrants.

11. Over the course of that morning and into the afternoon, Galanis engaged in further short selling of Dimethaid shares through accounts in the name of Ascendant at Canaccord Capital Corp. and Haywood Securities, Inc.

12. In total, Galanis sold short 865,000 common shares of Dimethaid at an average price of $.6283 per share.

13. Prior to his trading in Dimethaid on May 20, 2004, Galanis had not previously traded Dimethaid securities. Galanis' trading on May 20, 2004 accounted for approximately 42% of that day's trading volume.

14. Following his short sales, Galanis placed a follow up call with the trader at McFarlane Gordon during which he tentatively increased his participation in the Offering to 750,000 special warrants.

15. Shortly thereafter, Galanis confirmed his participation in the Offering and increased his subscription to 1,000,000 special warrants.

16. At the close of the market the following day (May 21, 2004), Dimethaid issued a press release disclosing the Offering and its terms, priced at $0.58 per special warrant.

17. Galanis' subscription to the Offering was made on behalf of EAM Inc., for a total investment of $580,000.

18. Galanis' participation in the Offering provided him with the securities necessary to cover the short position he had incurred on May 20, 2004.

19. Galanis' short selling on the basis of knowledge of the terms of the proposed Offering and his participation in the Offering to cover the short positions allowed him to capture a risk-free profit.

E. Conduct Contrary to Ontario Securities Law and the Public Interest

20. The short selling constituted trading in Dimethaid securities as defined by section 1(1) of the Act.

21. At the time of Galanis' short selling in Dimethaid common shares on May 20, 2004, Galanis was a person deemed to be in a special relationship with Dimethaid within the meaning of subsection 76(5)(e) of the Act.

22. The fact of the proposed Offering and its terms as communicated to Galanis constituted material facts within the meaning of subsection 76(1) of the Act and such facts had not been generally disclosed at the time of Galanis' trading.

23. By trading shares of Dimethaid with knowledge of material facts that had not generally been disclosed, Galanis contravened subsection 76(1) of the Act and acted in a manner contrary to the public interest.

24. Such additional allegations as Staff may advise and the Commission may permit.

March 18, 2008

1.3 News Releases

1.3.1 Biovail Corporation et al.

FOR IMMEDIATE RELEASE
March 24, 2008

OSC COMMENCES PROCEEDINGS IN RELATION TO BIOVAIL CORPORATION, EUGENE N. MELNYK, BRIAN H. CROMBIE, JOHN R. MISZUK AND KENNETH G. HOWLING

TORONTO - The Ontario Securities Commission ("Commission") today issued a Notice of Hearing and related Statement of Allegations against Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling.

Staff of the Commission's allegations involve four central issues:

1. the failure to account properly in Biovail's 2001 and 2002 financial statements for a special purpose entity that Biovail created called Pharmaceutical Technologies Corporation;

2. the improper recognition of revenue relating to a purported "bill-and-hold" sale of one of Biovail's drugs, Wellbutrin XL, in June of 2003;

3. the failure to correct and disclose an error in Biovail's 2003 financial statements relating to a foreign currency denominated obligation; and

4. misleading or untrue statements made in press releases, investor meetings and an analyst conference call concerning the reasons for Biovail's earnings miss in October of 2003.

Staff of the Commission further allege that Biovail provided misleading responses to questions that Staff posed regarding three of these issues in the course of a continuous disclosure review conducted in 2003 and 2004.

The first appearance in this matter will be held at 2:00 pm. on Tuesday, April 22, 2008 in the large hearing room of the Commission located on the 17th Floor, 20 Queen Street West, Toronto. The purpose of this first appearance is to set a date for the hearing.

A copy of the Notice of Hearing and Statement of Allegations is made available on the Commission's website (www.osc.gov.on.ca).

Staff of the Commission acknowledge the assistance and cooperation of the U.S. Securities and Exchange Commission in this matter.

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1.3.2 Canadian Regulators Issue Guidance Regarding Cease Trade Orders

FOR IMMEDIATE RELEASE
March 28, 2008

CANADIAN REGULATORS ISSUE GUIDANCE REGARDING CEASE TRADE ORDERS

Toronto - The Canadian Securities Administrators (CSA) announced today they are seeking comments on proposed National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults*.

NP 12-203 modernizes, harmonizes and streamlines existing CSA practices relating to cease trade orders (CTOs) and provides guidance for issuers on when regulators will issue a general CTO or a management cease trade order (MCTO) in response to a serious continuous disclosure default.

"Cease trade orders are an effective regulatory tool that send a clear message to issuers who do not comply with filing and other continuous disclosure requirements," said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). "A CTO is helpful in preserving the integrity of the capital markets for investors and other market participants."

The Policy describes the criteria that regulators consider when assessing whether to issue a general CTO or an MCTO. It also outlines what information an issuer should include in an application to regulators for an MCTO as an alternative to a general CTO. In addition, the Policy reminds issuers and insiders of the insider trading prohibitions under securities legislation, and says that issuers in default should closely monitor and generally restrict trading by management and other insiders, who may have access to material undisclosed information.

Proposed National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* and the related Notice and Request for Comment are available on several CSA members' websites. The comment period closes May 27, 2008.

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

For more information:

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1.4 Notices from the Office of the Secretary

1.4.1 Franklin Danny White et al.

FOR IMMEDIATE RELEASE
March 19, 2008

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

AND

IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK
BUSINESS CLUB LTD.,
MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, AND
CAPITAL INVESTMENTS OF AMERICA

TORONTO – Following a hearing held yesterday in the above named matter, the Commission issued an Order today which provides that:

1. the hearing on the merits shall begin on January 12, 2009 and shall continue through to January 23, 2009, if necessary; and

2. this matter be adjourned to June 24, 2008 at 2:30 p.m. for the purpose of a pre-hearing conference.

A copy of the Order dated March 19, 2008 is available at **www.osc.gov.on.ca**.

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1.4.2 Al-tar Energy Corp. et al.

FOR IMMEDIATE RELEASE
March 19, 2008

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

AND

IN THE MATTER OF
AL-TAR ENERGY CORP.,
ALBERTA ENERGY CORP.,
DRAGO GOLD CORP., DAVID C. CAMPBELL,
ABEL DA SILVA, ERIC F. O'BRIEN AND
JULIAN M. SYLVESTER

TORONTO – Following a hearing held today, the Commission issued an Order pursuant to subsections 127(1) and 127(5) which provides that:

(a) the respondents Drago Gold, Campbell, and Da Silva and their employees, agents and/or salespersons shall cease trading in the shares of Al-tar, Alberta Energy and Drago Gold until September 30, 2008; and (b) Drago Gold, Campbell, and Da Silva shall cease trading in any securities until September 30, 2008; and

(b) the parties to the Proceeding schedule and complete a pre-hearing conference before June 30, 2008.

A copy of the Order dated March 19, 2008 is available at **www.osc.gov.on.ca**.

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1.4.3 Peter Sabourin et al.

FOR IMMEDIATE RELEASE
March 19, 2008

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

AND

PETER SABOURIN, W. JEFFREY HAVER,
GREG IRWIN, PATRICK KEAVENY, 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.

TORONTO – The hearing that was scheduled to commence on April 2, 2008 in the above matter will now commence on April 7, 2008, at 10:00 a.m.

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1.4.4 Biovail Corporation et al.

IMMEDIATE RELEASE
March 24, 2008

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

TORONTO – The Office of the Secretary issued a Notice of Hearing today setting the matter down to be heard on April 22, 2008, at 2:00 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 24, 2008 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 24, 2008 are available at **www.osc.gov.on.ca**.

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1.4.5 Gregory Galanis

FOR IMMEDIATE RELEASE
March 24, 2008

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

AND

IN THE MATTER OF
GREGORY GALANIS

TORONTO – The Office of the Secretary issued a Notice of Hearing in the above named matter setting the matter down on a date to be fixed by the Commission or as soon thereafter as the hearing can be held.

A copy of the Notice of Hearing dated March 18, 2008 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 18, 2008 are available at **www.osc.gov.on.ca**.

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1.4.6 XI Biofuels Inc. et al.

FOR IMMEDIATE RELEASE
March 26, 2008

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

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
RONALD DAVID CROWE AND VERNON P. SMITH

AND

IN THE MATTER OF
XIIVA HOLDINGS INC. CARRYING ON BUSINESS
AS XIIVA HOLDINGS INC., XI ENERGY COMPANY,
XI ENERGY AND XI BIOFUELS

TORONTO – Following the hearing held yesterday in the above matter, the Commission issued an Order which provides that:

(a) the Temporary Orders are extended to May 6, 2008; and

(b) the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders and the hearing of the Respondents' Motion are adjourned to May 5, 2008 at 10:00 a.m. or such earlier date as the Secretary's Office may determine.

A copy of the Order dated March 25, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Canadian Pacific Railway Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – "evergreen" relief from issuer bid requirements - issuer conducting a bid through the facilities of the TSX and NYSE - NYSE is not a designated exchange under subsection 101.2(1) of the Act - relief granted, provided that any purchases made through the NYSE comply with the TSX NCIB rules.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 101.2(1), 104(2)(c).

Citation: Canadian Pacific Railway Limited, 2008 ABASC 86

February 22, 2008

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

AND

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

AND

IN THE MATTER OF
CANADIAN PACIFIC RAILWAY LIMITED
(the Filer)

MRRS DECISION DOCUMENT

Background

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

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

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

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

Interpretation

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

Representations

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

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

   (b) The Filer's head office is located in Calgary, Alberta.

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

   (d) The Filer is an SEC registrant under the *1934 Act*.

   (e) As at December 31, 2007, the Filer had approximately 153,269,328 Common Shares issued and outstanding.

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

(g) Since 2005, the Filer has annually filed the necessary documents in order to permit it to make normal course issuer bid purchases of its Common Shares through the facilities of the TSX and NYSE. The Filer currently anticipates that it will continue to make the necessary filings on an annual basis in order to be able to make purchases of its Common Shares through the facilities of both the TSX and NYSE.

(h) The by-laws, regulations and policies of the TSX relating to normal course issuer bids (the **TSX NCIB Rules**) allow purchases of up to 10% of the public float (as defined in the TSX NCIB Rules) of the class of securities subject to such a bid to be made through the facilities of the TSX over the course of a year.

(i) Issuer bid purchases made through the facilities of the TSX in accordance with the TSX NCIB Rules are exempt from the Issuer Bid Requirements pursuant to the "designated exchange exemption" contained in the Legislation (the **Designated Exchange Exemption**), while purchases through the facilities of the NYSE are not exempt pursuant to such exemption because the Decision Makers recognize the TSX as a "designated exchange" for the purpose of the Designated Exchange Exemption but not the NYSE.

(j) Issuer bid purchases made through the facilities of the NYSE are exempt from the Issuer Bid Requirements pursuant to the "normal course issuer bid exemption" contained in the Legislation (the **NCIB Exemption**), which limits the aggregate number of securities which may be purchased during a 12 month period to 5% of the securities of that class issued and outstanding at the commencement of that period.

(k) Purchases of Common Shares by the Filer of up to 10% of the public float through the facilities of the NYSE would be permitted under the rules of the NYSE and under US federal securities law.

(l) No other exemptions exist under the Legislation that would otherwise permit the Filer to make purchases through the NYSE where the purchases exceed the 5% limitation in the NCIB Exemption.

(m) The Filer anticipates that in the future, through renewals of its normal course issuer bid program, it may wish to make purchases of its Common Shares through the facilities of both the TSX and NYSE where the purchases fall within the 10% limit under the TSX NCIB Rules but exceed the 5% limit in the NCIB Exemption (a **Future Bid**).

Decision

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

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

"Glenda A. Campbell, QC"
Alberta Securities Commission

"Stephen R. Murison"
Alberta Securities Commission

2.1.2 Rockyview Energy Inc. - s. 1(10)(b)

Headnote

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

Ontario Statutes

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

Citation: Rockyview Energy Inc., 2008 ABASC 119

March 18, 2008

Blake, Cassels & Graydon LLP
3500, Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4J8

Attention: Evan Johnston

Dear Sir:

Re: Rockyview Energy Inc. (the Applicant) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario and Québec (the Jurisdictions)

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 18th day of March, 2008.

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

2.1.3 Compagnie de Saint-Gobain - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application for relief from prospectus and dealer registration requirements in respect of certain trades in units of employee shareholding funds made pursuant to a classic offering and a leveraged offering by French issuer – Relief from prospectus and dealer registration requirements upon the redemption of units for shares of the issuer – Relief from the registration and prospectus requirements granted in respect of first trade of units or shares where such trade is made through the facilities of a stock exchange outside of Canada – Relief granted to the manager of the funds from the adviser and dealer registration requirements.

Applicable Ontario Statutory Provisions

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

Applicable Rules

National Instrument 45-102 - Resale of Securities.
National Instrument 45-106 - Prospectus and Registration Exemptions.

Translation

March 20, 2008

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

AND

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

AND

IN THE MATTER OF
COMPAGNIE DE SAINT-GOBAIN
(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**") for:

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to:

   (a) trades in units ("**Units**") of;

      (i) a compartment named Saint-Gobain Avenir Monde (the "**Principal Classic Compartment**") of a permanent FCPE named Saint-Gobain PEG Monde, which is a fonds communs de placement d'entreprise or "**FCPE**"; a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors;

      (ii) a temporary FCPE named Saint-Gobain Relais Adhésion 2008 Monde (the "**Temporary Classic FCPE**"), which will merge with the Principal Classic Compartment following the Employee Share Offering (as defined below) as further described in paragraph 10 of the Representations; and

(iii) a compartment named Développement 2008 Monde (the "**Leveraged Compartment**") of a permanent FCPE named Saint-Gobain PEG Monde,

(the Principal Classic Compartment, the Temporary Classic FCPE and the Leveraged Compartment, collectively, the "**Compartments**")

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdictions who elect to participate in the Employee Share Offering (the "**Canadian Participants**");

(b) trades of ordinary shares of the Filer (the "Shares") by the Compartments to Canadian Participants upon the redemption of Units by Canadian Participants;

(c) the issuance of Units of the Principal Classic Compartment to holders of Leveraged Compartment Units upon the transfer of the Canadian Participants' assets in the Leveraged Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);

2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to:

(a) trades in Units of the Temporary Classic FCPE or the Principal Classic Compartment made pursuant to the Employee Share Offering to or with Canadian Participants;

(b) trades in Units of the Leveraged Compartment made pursuant to the Employee Share Offering to or with Canadian Participants not resident in Ontario or Manitoba;

(c) trades of Shares by the Compartments to Canadian Participants upon the redemption of Units by Canadian Participants; and

(d) the issuance of Units of the Principal Classic Compartment to holders of Leveraged Compartment Units upon the transfer of the Canadian Participants' assets in the Leveraged Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);

3. an exemption from the adviser registration requirements and dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Compartments, AXA Investment Managers Paris (the "**Management Company**"), to the extent that its activities described in paragraphs 30 and 31 of the Representations require compliance with the adviser registration requirements and dealer registration requirements (collectively, with the Prospectus Relief and the Registration Relief, the "**Initial Requested Relief**"); and

4. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the first trade in any Units or Shares acquired by Canadian Participants under the Employee Share Offering (the "**First Trade Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Autorité des marchés financiers is the principal regulator for this application, and

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

Interpretation

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

Representations

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

1. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris.

2. The Filer carries on business in Canada through the following affiliated companies: CertainTeed Gypsum Canada, Inc., CertainTeed Gypsum North American Services, Inc., Ceramics Hamilton Ltd., Saint-Gobain Ceramic Materials Canada

Inc. and Saint-Gobain Technical Fabrics Canada, Ltd. (collectively, the "**Canadian Affiliates**", together with the Filer and other affiliates of the Filer, the "**Saint-Gobain Group**"). Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation.

3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Compartments on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.

4. The Filer has established a global employee share offering for employees of the Saint-Gobain Group (the "**Employee Share Offering**"). The Employee Share Offering is comprised of two subscription options:

   (a) an offering of Shares to be subscribed through the Temporary Classic FCPE, which Compartment will be merged with the Principal Classic Compartment after completion of the Employee Share Offering (the "**Classic Plan**"); and

   (b) an offering of Shares to be subscribed through the Leveraged Compartment (the "**Leveraged Plan**").

5. Only persons who are employees of a member of the Saint-Gobain Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering.

6. The Compartments have been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Compartments to become reporting issuers under the Legislation.

7. As set forth above, the Temporary Classic FCPE is, and the Principal Classic Compartment and the Leveraged Compartment are compartments of, an FCPE (a fonds communs de placement d'entreprise) which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Compartments have been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units of the Compartments in an amount corresponding to their respective investments in each of the Compartments.

8. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions prescribed by French law (such as a release on death or termination of employment).

9. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares using the Canadian Participants' contributions at a subscription price that is equal to the average of the opening price of the Shares on the 20 trading days preceding the date of fixing of the subscription price by the Chief Executive Officer of the Filer (the "**Reference Price**"), less a 20% discount.

10. Initially, the Shares will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. After completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic Compartment (subject to the French AMF's approval). Units of the Temporary Classic Compartment held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (the "**Merger**").

11. The term "**Classic Compartment**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic Compartment.

12. Under the Classic Plan, at the end of the Lock-Up Period or in the event of an early redemption resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law, a Canadian Participant may:

   (a) redeem Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares; or

   (b) continue to hold Units in the Classic Compartment and redeem those Units at a later date.

13. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. To reflect this reinvestment new Units of the Classic Compartment will be issued.

14. Under the Leveraged Plan, Canadian Participants will subscribe for Units in the Leveraged Compartment, and the Leveraged Compartment will then subscribe for Shares using the Employee Contribution (as described below) and certain financing made available by Calyon (the "**Bank**"), which is governed by the laws of France.

15. Canadian Participants in the Leveraged Plan receive a 15% discount on the Reference Price. Under the Leveraged Plan, the Canadian Participants effectively receive a share appreciation potential entitlement in the increase in value, if any, of the Shares financed by the Bank Contribution (described below).

16. Participation in the Leveraged Plan represents a potential opportunity for Qualifying Employees to obtain significantly higher gains than would be available through participation in the Classic Plan by virtue of the Qualifying Employee's indirect participation in a financing arrangement involving a swap agreement (the "**Swap Agreement**") between the Leveraged Compartment and the Bank. In economic terms, the Swap Agreement effectively involves the following exchange of payments: for each Share which may be subscribed for by the Qualifying Employee's contribution (expressed in euros) (the "**Employee Contribution**") under the Leveraged Plan at the Reference Price less the 15% discount, the Bank will lend to the Leveraged Compartment (on behalf of the Canadian Participant) an amount sufficient to enable the Leveraged Compartment (on behalf of the Canadian Participant) to subscribe for an additional nine Shares (the "**Bank Contribution**") at the Reference Price less the 15% discount.

17. Under the terms of the Swap Agreement, at the end of the Lock-Up Period, the Leveraged Compartment will owe to the Bank an amount equal to A – [B+C+D], where:

    (a) "A" is the market value of all the Shares at the end of the Lock-Up Period that are held in the Leveraged Compartment (as determined pursuant to the terms of the Swap Agreement),

    (b) "B" is the aggregate amount of all Employee Contributions;

    (c) "C" is an amount equal to a 2% annual compounded return on the aggregate amount of all Employee Contributions (the "**2% Return**"); and

    (d) "D" is an amount (the "**Appreciation Amoun**t") equal to:

        (i) 53% of the positive difference, if any, between:

            (1) the monthly average of the price of the Shares taken on a specified calendar day of each month during the entire Lock-up Period (i.e. a total of 63 readings) (in the event this Share price is lower than the Reference Price, the Reference Price will be used instead),

            and

            (2) the Reference Price,

            multiplied by

        (ii) the number of Shares held in the Leveraged Compartment.

18. If, at the end of the Lock-Up Period, the market value of the Shares held in the Leveraged Compartment is less than 100% of the Employee Contributions plus the 2% Return, the Bank will, pursuant to a guarantee agreement, make a cash contribution to the Leveraged Compartment to make up such shortfall.

19. At the end of the Lock-Up Period, the Swap Agreement will terminate after the final swap payments are made and a Canadian Participant may, elect to redeem his or her Leveraged Compartment Units in consideration for cash or Shares equivalent to:

    (a) a Canadian Participant's Employee Contribution;

    (b) the Canadian Participant's portion of the 2% Return; and

    (c) the Canadian Participant's portion of the Appreciation Amount, if any.

    (the "**Redemption Formula**").

20. If a Canadian Participant does not redeem his or her Units in the Leveraged Compartment, his or her investment in the Leveraged Compartment will be transferred to the Principal Classic Compartment upon the decision of the supervisory

board of the permanent FCPE Saint-Gobain PEG Monde and the approval of the French AMF. New Units of the Principal Classic Compartment will be issued to the applicable Canadian Participants in recognition of the assets transferred to the Principal Classic Compartment. The Canadian Participants may redeem the new Units whenever they wish. However, following a transfer to the Principal Classic Compartment, the Employee Contribution and the Appreciation Amount will not be covered by the Swap Agreement or the guarantee agreement.

21. Pursuant to the guarantee agreement, at the end of the Lock-Up Period or in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period, under no circumstances will a Canadian Participant in the Leveraged Plan be entitled to receive less than an amount equal to 100% of his or her Employee Contribution and his or her portion of the 2% Return. The Management Company is permitted to cancel the Swap Agreement (which will have the effect of cancelling the guarantee) in certain strictly defined conditions where it is in the best interests of the holders of Units of the Leveraged Compartment. The Management Company is required under French law to act in the best interests of holders of Units of the Leveraged Compartment. In the event that the Management Company cancelled the Swap Agreement and this was not in the best interests of the holders of Units of the Leveraged Compartment, then, such holders would have a right of action under French law against the Management Company.

22. The offering documents provided to Canadian Participants will confirm that, under no circumstances, will a Canadian Participant in the Leveraged Plan be liable to any of the Leveraged Compartment, the Bank or the Filer for any amounts in excess of his or her Employee Contribution under the Leveraged Plan.

23. Under French law, the Temporary Classic FCPE is, and the Principal classic Compartment and the Leveraged Compartment are compartments of, an FCPE which is a limited liability entity. Each Compartment's portfolio will consist almost entirely of Shares of the Filer. The Classic Compartment's portfolio, may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares. The Leveraged Compartment's portfolio will also include the Swap Agreement. From time to time, either portfolio may include cash or cash equivalents that the Compartments may hold pending investments in Shares and for the purposes of Unit redemptions.

24. During the term of the Swap Agreement, an amount equal to the net amounts of any dividends paid on the Shares held in the Leveraged Compartment will be remitted by the Leveraged Compartment to the Bank as partial consideration for the obligations assumed by the Bank under the Swap Agreement.

25. For Canadian federal income tax purposes, the Canadian Participants in the Leveraged Compartment should be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Bank Contribution, at the time such dividends are paid to the Leveraged Compartment, notwithstanding the actual non-receipt of the dividends by the Canadian Participants by virtue of the terms of the Swap Agreement. Consequently, Canadian Participants will be required to fund the tax liabilities associated with the dividends without recourse to the actual dividends.

26. The declaration of dividends on the Shares is determined by the board of directors of the Filer. The Filer has not made any commitment to the Bank as to any minimum payment in respect of dividends.

27. To respond to the fact that, at the time of the initial investment decision relating to participation in the Leveraged Plan, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or the Canadian Affiliates will indemnify each Canadian Participant in the Leveraged Plan for all tax costs to the Canadian Participants associated with the payment of dividends in excess of a specified amount of euros per Share during the Lock-Up Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to determine his or her maximum tax liability in connection with dividends received by the Leveraged Compartment on his or her behalf under the Leveraged Plan.

28. At the time the Canadian Participant's obligations under the Swap Agreement are settled, the Canadian Participant should realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the Leveraged Compartment, on behalf of the Canadian Participant, from the Bank exceed (or are less than) amounts paid by the Leveraged Compartment, on behalf of the Canadian Participant to the Bank. To the extent that an amount equal to the value of the dividends on Shares that are deemed to have been received by a Canadian Participant are paid by the Leveraged Compartment on behalf of the Canadian Participant to the Bank, such payments will reduce the amount of any capital gain (or increase the amount of any capital loss) to the Canadian Participant under the Swap Agreement. Capital losses (gains) realized by a Canadian Participant under the Swap Agreement may be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the Income Tax Act (Canada) or comparable provincial legislation (as applicable).

29. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not and has no current intention of becoming a reporting issuer under the Legislation.

30. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Compartments are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, and such activities as may be necessary to give effect to the Swap Agreement.

31. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each Compartment. The Management Company's activities in no way affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Participants.

32. Shares issued in the Employee Share Offering will be deposited in the relevant Compartment through BNP Paribas Securities Services (the "**Depositary**"), a large French commercial bank subject to French banking legislation.

33. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each Compartment to exercise the rights relating to the securities held in its respective portfolio.

34. Participation in the Employee Share Offering is voluntary, and the Canadian resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.

35. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed the greater of: (a) 25% of his or her gross annual remuneration for the 2007 calendar year; or (b) 25% of his or her base compensation for the 2008 calendar year. For the purposes of calculating this limit, a Canadian Participant's maximum "investment" in the Leveraged Compartment will include the additional Bank Contribution. In addition, the total amount invested by a Canadian Participant in the Leveraged Plan cannot exceed the lesser of: (a) €2,500; or (b) the greater of (i) 2.5% of his or her gross annual remuneration for 2007, or, (ii) 2.5% of his or her base compensation for the 2008 calendar year.

36. None of the Filer, the Management Company, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.

37. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of Euronext Paris.

38. The Filer will retain a securities dealer registered as a broker/investment dealer (the "**Registrant**") under the Legislation of Ontario and Manitoba to provide advisory services to Canadian Participants resident in Ontario and Manitoba who express interest in the Leveraged Plan and to make a determination, in accordance with industry practices, as to whether an investment in the Leveraged Plan is suitable for each such Canadian Participant based on his or her particular financial circumstances. The Registrant will establish accounts for, and will receive the initial account statements from the Leveraged Compartment on behalf of, such Canadian Participants. The Units of the Leveraged Compartment will be issued by the Leveraged Compartment to Canadian Participants resident in Ontario or Manitoba solely through the Registrant.

39. Canadian Participants who participate in the Employee Share Offering will receive a statement indicating the number of Units they hold and the value of each Unit at least once per year.

40. The Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering, a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Units in the Compartments and redeeming Units for cash or Shares at the end of the Lock-Up Period. The information package for Canadian Participants in the Leveraged Plan will include all the necessary information for general inquiry and support with respect to the Leveraged Plan and will also include a risk statement which will describe certain risks associated with an investment in Units pursuant to the Leveraged Plan, and a tax calculation document which will illustrate the general Canadian federal income tax consequences of participating in the Leveraged Plan.

41. Upon request, Canadian Participants may receive copies of the Filer's French Document de Référence filed with the French AMF in respect of the Shares and a copy of the relevant Compartment's rules (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

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 Initial Requested Relief is granted provided that:

1. the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision in a Jurisdiction is deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction unless the following conditions are met:

    (a) the issuer of the security

        (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or

        (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;

    (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

        (i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

        (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

    (c) the first trade is made

        (i) through the facilities of an exchange, or a market, outside of Canada, or

        (ii) to a person or company outside of Canada;

2. in Québec, the required fees are paid in accordance with Section 271.6(1.1) of the *Securities Regulation* (Québec).

It is further the decision of the Decision Makers under the Legislation that the First Trade Relief is granted provided that the conditions set out in paragraphs 1(a), (b) and (c) under this decision granting the Initial Requested Relief are satisfied.

“Josée Deslauriers”
Director, Capital Market

“Claude Lessard”
Manager, Supervision of Intermediaries

2.1.4 First Asset Opportunity Fund - s. 1(10)

Headnote

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

Applicable Ontario Statutory Provisions

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

March 12, 2008

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

Attention: David Palumbo

Dear Sirs / Mesdames:

Re: First Asset Opportunity Fund (the "Applicant") – Application to cease to be a reporting issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the Decision Maker that,

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

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

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

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

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

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.5 Marathon Oil Corporation and 1339971 Alberta Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application -- issuer and its indirect wholly-owned subsidiary request relief from the requirements of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities -- issuer has less than 10% of its security holders resident in Canada -- subsidiary would qualify for "exchangeable security issuer" exemption in section 8.2 of NI 51-101, except that one special preferred share was issued to a third party -- issuer and subsidiary exempt from requirements of NI 51-101, provided that the issuer complies with the oil and gas disclosure requirement of the SEC, New York Stock Exchange and Chicago Stock Exchange.

Applicable Provisions

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, s. 8.1.

Citation: Marathon Oil Corporation, 2008 ABASC 108

March 4, 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
MARATHON OIL CORPORATION (MARATHON) AND
1339971 ALBERTA LTD. (ACQUISITIONCO AND,
TOGETHER WITH MARATHON, THE FILERS).

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 Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filers be exempted from the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**) (the **Requested Relief**).

Application of 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 of the Filers;

   (b) the Filers are relying on the exemption in Part 3 of MI 11-101 in British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador; 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 defined in this decision.

Representations

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

   (a) Pursuant to an arrangement agreement among Western Oil Sands Inc. (**Western**), Marathon, AcquisitionCo and WesternZagros Resources Inc. dated July 30, 2007, as amended and restated on September 14, 2007 and as further amended on October 16, 2007 (the **Arrangement Agreement**), Marathon acquired all of the Class A Common Shares of Western (the **Western Shares**) through its indirect wholly-owned subsidiary, AcquisitionCo. The Arrangement Agreement was implemented by way of a court-approved plan of arrangement (the **Arrangement**) under the *Business Corporations Act* (Alberta) pursuant to the terms of the Arrangement Agreement.

   (b) The Western Shares were delisted from the Toronto Stock Exchange at the close of trading on October 19, 2007.

   (c) As a result of the Arrangement, Marathon and AcquisitionCo became reporting issuers or the equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the **Reporting Jurisdictions**).

(d) As reporting issuers, Marathon and AcquisitionCo are subject to NI 51-101.

AcquisitionCo

(e) AcquisitionCo is an indirect subsidiary of Marathon incorporated under the laws of the Province of Alberta for the purpose of implementing the Arrangement. To date, AcquisitionCo has not carried on any business except in connection with its role as a party to the Arrangement Agreement.

(f) Exchangeable shares in the capital of AcquisitionCo (the **Exchangeable Shares**) were created for the purposes of the Arrangement. Each Exchangeable Share was, on issuance, exchangeable on a one-for-one basis for shares of Marathon common stock (the **Marathon Shares**). The Exchangeable Shares have economic and voting rights that are, as nearly as practicable, the same as the rights of Marathon Shares, including the right to vote at meetings of holders of Marathon Shares. In addition, the exchange ratio for the Exchangeable Shares is adjusted from time to time to account for cash dividends paid by Marathon on the Marathon Shares. All of the outstanding Exchangeable Shares are held by Marathon Canadian Oil Sands Holding Limited (**CallCo**), a subsidiary of Marathon, and by former holders of Western Shares who have elected to receive Exchangeable Shares in exchange for their Western Shares pursuant to the Arrangement.

(g) The Exchangeable Shares are not listed on any exchange.

(h) As at February 5, 2008 there were 5,156,093 Exchangeable Shares issued and outstanding, of which CallCo held 1,155,022 Exchangeable Shares. The Exchangeable Shares held by CallCo represent the number of Exchangeable Shares that have been exchanged for Marathon Shares.

(i) Pursuant to an MRRS order dated November 29, 2007 (the **Order**), AcquisitionCo was granted exemptive relief from various Canadian reporting requirements as long as Marathon and AcquisitionCo satisfy certain conditions.

(j) As a result of the issuance of one special preferred share to a third party, AcquisitionCo cannot rely on the "exchangeable security issuer" exemption in section 8.2 of NI 51-101.

Marathon

(k) Marathon is incorporated pursuant to the laws of Delaware and its head office and management are located in Houston, Texas.

(l) The Marathon Shares are listed on the New York Stock Exchange (the **NYSE**) and the Chicago Stock Exchange (the **CSE**).

(m) Marathon does not have any of its securities listed on an exchange in Canada.

(n) As at December 31, 2007 there were 713,444,033 Marathon Shares issued and outstanding.

(o) A search of registered holders of Marathon Shares conducted on December 31, 2007 by National City Bank, Marathon's transfer agent, indicated that there were 356 registered holders resident in Canada holding 214,481.616 Marathon Shares, representing approximately 0.03% of the issued and outstanding Marathon Shares as at December 31, 2007.

(p) A search of beneficial holders of Marathon Shares conducted on January 15, 2008 by Broadridge Financial Solutions, Inc. indicated that there were 6,565 beneficial holders resident in Canada holding 15,411,123 Marathon Shares, representing approximately 2.16% of the issued and outstanding Marathon Shares as at December 31, 2007.

(q) A search of registered holders of Exchangeable Shares conducted on February 5, 2008 by Valiant Trust Company, AcquisitionCo's transfer agent, indicated that there were 5 registered holders resident in Canada holding 4,001,071 Exchangeable Shares, representing approximately 0.56% of the issued and outstanding Marathon Shares as of December 31, 2007 on a fully diluted basis, assuming an exchange ratio of one Marathon Share for each Exchangeable Share.

(r) A search of beneficial holders of Exchangeable Shares conducted on February 8, 2008 by Broadridge Financial Solutions, Inc. indicated that there were

126 beneficial holders resident in Canada holding 3,989,088 Exchangeable Shares, representing approximately 0.56% of the issued and outstanding Marathon Shares as at December 31, 2007 on a fully diluted basis, assuming an exchange ratio of one Marathon Share for each Exchangeable Share.

(s) Based on the foregoing information regarding registered and beneficial holders of Marathon Shares and Exchangeable Shares:

(i) less than 10% of the number of registered and beneficial holders of Marathon Shares together with registered and beneficial holders of Exchangeable Shares are resident in Canada; and

(ii) less than 10% of the aggregate of outstanding Marathon Shares and Exchangeable Shares are held by residents of Canada.

(t) Marathon is subject to the 1934 Act and the rules, regulations and orders promulgated thereunder.

(u) Marathon files with the SEC, the NYSE and the CSE disclosure about its oil and gas activities (**Oil and Gas Disclosure**) prepared in accordance with the requirements of the 1933 Act, the 1934 Act and the rules and regulations of the SEC, the NYSE and the CSE (collectively, the **US Rules**).

(v) Marathon is an "SEC Issuer" within the meaning of that term in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. Accordingly, Marathon is generally exempt from Canadian reporting requirements, including the requirement for insiders of Marathon to file reports with respect to trades of Marathon securities, provided Marathon complies with the requirements of US federal and state securities laws and US market requirements in respect of all financial and other continuous and timely reporting matters and Marathon files with the relevant provincial and territorial securities regulatory authorities copies of its documents filed with or furnished to the SEC under the 1934 Act.

(w) The Filers are not in default of any of the requirements of the securities legislation of any of the Reporting Jurisdictions or the conditions of the Order.

Decision

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

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted for so long as:

(a) Marathon remains subject to and complies with the disclosure requirements of the US Rules in connection with its oil and gas activities;

(b) Marathon issues in Canada, and files on SEDAR, a news release stating that it will provide Oil and Gas Disclosure prepared in accordance with the US Rules rather than in accordance with NI 51-101;

(c) Marathon files the Oil and Gas Disclosure with the Decision Makers as soon as practicable after the Oil and Gas Disclosure is filed with the SEC;

(d) less than 10% of the number of registered and beneficial holders of Marathon Shares together with registered and beneficial holders of Exchangeable Shares are resident in Canada;

(e) less than 10% of the aggregate of outstanding Marathon Shares and Exchangeable Shares are held by residents of Canada; and

(f) Marathon remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of AcquisitionCo.

Glenda A. Campbell, QC
Alberta Securities Commission

Stephen R. Murison
Alberta Securities Commission

2.1.6 Allbanc Split Corp. and Scotia Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Subdivided offering – Market making trades by promoter/agent shall not be subject to requirements to file and obtain receipt for a preliminary and final prospectus provided that the promoter/agent and its affiliates do not beneficially own or have the power to exercise control of a sufficient number of voting securities of an issuer comprising part of the issuer's portfolio to permit the promoted/agent to affect materially the control of such issuer.

Applicable Legislative Provisions

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

March 7, 2008

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

AND

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

AND

IN THE MATTER OF
ALLBANC SPLIT CORP.

AND

IN THE MATTER OF
SCOTIA CAPITAL INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filers for decisions under the securities legislation (the "**Legislation**") of the Jurisdictions that the following requirements contained in the applicable Legislation shall not apply to Allbanc Split Corp. (the "**Filer**") or Scotia Capital Inc. ("**Scotia Capital**") in connection with the public offering (the "**Offering**") of class B preferred shares (the "**Preferred Shares**") of the Filer:

(a) The requirements contained in the Legislation requiring the Filer to file a prospectus shall not apply to the Market Making Trades (as hereinafter defined) by Scotia Capital in the class B preferred shares (the "**Class B Preferred Shares**") in the share capital of the Filer.

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 the are defined in this decision.

Representations

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

The Filer

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on December 17, 1997 and became a reporting issuer under the OSA by filing a final prospectus dated February 17, 1998 relating to an initial public offering of capital shares (the "**Capital Shares**") and preferred shares (the "**Preferred Shares**") completed on February 25, 1998.

2. The authorized capital of the Filer consists of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of class A capital shares (the "**Class A Capital Shares**"), an unlimited number of class A preferred shares (the "**Class A Preferred Shares**"), an unlimited number of class A shares (the "**Class A Shares**"), an unlimited number of class S shares and an unlimited number of class B preferred shares (the "**Class B Preferred Shares**").

3. On January 14, 2003, the holders of Capital Shares approved a share capital reorganization which permitted holders of Capital Shares, at their option, to retain their investment in the Filer after the scheduled redemption date of March 10, 2003, by converting their Capital Shares into Class A Capital Shares. On January 17, 2003, the holders of 897,444 Capital Shares converted such Capital Shares on a one-for-one basis into 897,444 Class A Capital Shares. All of the issued and outstanding Capital Shares and Preferred Shares were redeemed by the Filer on March 10, 2003.

4. On January 25, 2008, the holders of Class A Capital Shares of the Filer approved a share

capital reorganization (the "**Reorganization**") which permits holders of Class A Capital Shares, at their option, to retain their investment in the Filer after the originally scheduled redemption date of March 10, 2008. In order for the Reorganization to proceed, holders of at least 180,000 Class A Capital Shares must retain their Class A Capital Shares and not exercise their special retraction right (the "**Special Retraction Right**") to redeem their shares under the Reorganization. All of the Class A Preferred Shares and those Class A Capital Shares for which holders have exercised their Special Retraction Right, will be redeemed on March 10, 2008. Should the Reorganization not proceed, all of the Class A Capital Shares and all of the Class A Preferred Shares will be redeemed on March 10, 2008.

5. The Class B Preferred Shares are being offered in order to maintain the leveraged "split share" structure of the Filer and will be issued on March 10, 2008 (the "**Offering**") such that there will be an equal number of Class A Capital Shares and Class B Preferred Shares outstanding on and after the expected closing date of March 10, 2008.

6. The Filer will make the Offering to the public pursuant to a final prospectus (the "**Final Prospectus**") in respect of which the Preliminary Prospectus has already been filed.

7. The Class A Capital Shares will continue to be listed and posted for trading on The Toronto Stock Exchange (the "**TSX**") and it is expected that the Class B Preferred Shares will be listed and posted for trading on the TSX. An application requesting conditional listing approval will be made by the Filer to the TSX.

8. The Class A Shares are the only voting shares in the capital of the Filer. There are currently, and will be at the time of filing the Final Prospectus relating to the Offering, 100 Class A Shares issued and outstanding. Allbanc Split Holdings Corp. and Scotia Capital each own 50% of the issued and outstanding Class A Shares of the Filer.

9. he Class A Capital Shares and Class B Preferred Shares may be surrendered for retraction at any time in the manner described in the Preliminary Prospectus.

10. The Filer has a board of directors (the "**Board of Directors**") which currently consists of six directors, three of which are independent directors who are not employees of Scotia Capital. Also, the offices of President/Chief Executive Officer and Chief Financial Officer/Secretary of the Filer are held by employees of Scotia Capital.

11. The Filer is a passive investment company whose principal investment objective is to invest in a portfolio (the "**Portfolio**") of common shares (the "**Portfolio Shares**") of Bank of Montreal, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank (collectively, the "**Banks**") in order to generate fixed cumulative preferential distributions for holders of the Filer's Class B Preferred Shares, and to allow the holders of the Filer's Class A Capital Shares to participate in the capital appreciation of the Portfolio Shares after payment of administrative and operating expenses of the Filer. It will be the policy of the Board of Directors of the Filer to pay dividends on the Class A Capital Shares in an amount equal to the dividends received by the Filer on the Portfolio Shares minus the distributions payable on the Class B Preferred Shares and all administrative and operating expenses of the Filer.

12. Class B Preferred Share distributions will be funded from the dividends received on the Portfolio Shares and, if necessary, the revolving credit facility. If necessary, any shortfall in the distributions on the Class B Preferred Shares will be funded by proceeds from the sale of or, if determined appropriate by the Board of Directors, premiums earned from writing covered call options on, Portfolio Shares.

13. The revolving credit facility, if any, will be provided by Scotia Capital or an affiliate.

14. The record date for the payment of Class B Preferred Share distributions, Class A Capital Share dividends or other distributions of the Filer will be set in accordance with the applicable requirements of the TSX.

15. Any Class A Capital Shares and Class B Preferred Shares outstanding on March 8, 2013, will be redeemed by the Filer on such date.

16. The Filer is considered to be a mutual fund, as defined in the Legislation. Since the Filer does not operate as a conventional mutual fund, it is making an application for a waiver from certain requirements of National Instrument 81-102 – *Mutual Funds*.

17. It will be the policy of the Filer to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except:

    (a) to complete a one-time rebalancing of the Portfolio as described in the Preliminary Prospectus;

    (b) to fund retractions or redemptions of Class A Capital Shares and Class B Preferred Shares;

(c) following receipt of stock dividends on the Portfolio Shares;

(d) if necessary, to fund any shortfall in the distribution on Class B Preferred Shares; and

(e) to meet obligations of the Filer in respect of liabilities including extraordinary liabilities.

18. The Portfolio Shares are listed and traded on the TSX.

19. The Filer is not, and will not upon the completion of the Offering be, an insider of the Banks within the meaning of the Legislation.

The Offerings

20. The net proceeds of the Offering (after deducting the agents' fees and expenses of the issue), depending upon the number and value of Class A Capital Shares redeemed pursuant to the Special Retraction Right, will be used by the Filer either: (i) to fund the redemption of all of the issued and outstanding Class A Preferred Shares of the Filer on March 10, 2008 as well as those Class A Capital Shares being redeemed pursuant to the Special Retraction Right (together, with the net proceeds from the sale of a portion of the portfolio, if necessary); or (ii) to purchase additional Portfolio Shares to the extent that the net proceeds of the Offering exceed the funding requirements associated with the redemption of all of the issued and outstanding Class A Preferred Shares of the Filer on March 10, 2008 as well as those Class A Capital Shares being redeemed pursuant to the Special Retraction Right.

21. The Final Prospectus will disclose selected financial information and dividend and trading history of the Portfolio Shares.

Scotia Capital

22. Scotia Capital was incorporated under the laws of the Province of Ontario and is a direct, wholly-owned subsidiary of BNS. Scotia Capital is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and a participant in the TSX. Scotia Capital is the promoter of the Filer.

23. Pursuant to an agreement (the "**Agency Agreement**") to be made between the Filer and Scotia Capital and the other agents expected to be appointed by the Filer (the "**Agents**"), the Filer will appoint the Agents, as its agents, to offer the Class B Preferred Shares of the Filer on a best efforts basis and the Final Prospectus qualifying the Offering will contain a certificate signed by the Agents, in accordance with the Legislation.

24. Pursuant to an administration agreement (the "**Administration Agreement**") to be entered into between BNS and the Filer, the Filer will retain BNS to administer the ongoing operations of the Filer and will BNS a monthly fee of 1/12 of 0.25% of the market value of the Portfolio Shares held by the Filer.

25. BNS's and Scotia Capital's economic interest in the Filer and in the material transactions involving the Filer are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions".

Market Making Trades

26. Scotia Capital will be a significant maker of markets for the Class A Capital Shares and the Class B Preferred Shares. As a result, Scotia Capital will, from time to time, purchase and sell Class A Capital Shares and Class B Preferred Shares and trade in such securities as agent on behalf of its clients, the primary purpose of such trades (the "**Market Making Trades**") being to provide liquidity to the holders of Class A Capital Shares and Class B Preferred Shares. All trades made by Scotia Capital as principal will be recorded daily by the TSX.

27. As Scotia Capital owns 50% of the Class A Shares of the Filer, Scotia Capital is deemed to be in a position to affect materially the control of the Filer and consequently, each Market Making Trade will be a "distribution or a "distribution to the public" within the meaning of the Legislation.

Decision

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

The decision of the Decision Makers is that the Prospectus Requirements shall not apply to the Market Making Trades by Scotia Capital in the Class A Capital Shares and Class B Preferred Shares provided that at the time of each Market Making Trade, Scotia Capital and its affiliates do not beneficially own or have the power to exercise control or direction over a sufficient number of voting securities of the issuers of the Portfolio Shares, securities convertible into voting securities of the issuers of the Portfolio Shares, options to acquire voting securities of the issuers of the Portfolio Shares, or any other securities which provide the holder with the right to exercise control or direction over voting securities of the issuers of the Portfolio Shares which in the aggregate, permit Scotia Capital to affect materially the control of the issuers of the Portfolio Shares

and without limiting the generality of the foregoing, the beneficial ownership of or the power to exercise control or direction over securities representing in the aggregate 20 percent or more of the votes attaching to all the then issued and outstanding voting securities of the issuers of the Portfolio Shares shall, in the absence of evidence to the contrary, be deemed to affect materially the control of the issuers of the Portfolio Shares.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.7 6799221 Canada Limited and Persistence Capital Partners LP - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions– take-over bid and subsequent business combination – MI 61-101 requires the sending of an information circular and holding of a meeting in connection with second step business combination – second step business combination to be subject to minority approval, calculated in accordance with section 8.2 of MI 61-101 – relief granted from requirement that information circular be sent and meeting be held, provided that minority approval is obtained by written resolution.

Applicable Ontario Statutory Provisions

Sections 4.2, 8.2 and 9.1 of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

TRANSLATION

March 20, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUEBEC AND ONTARIO

AND

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

AND

IN THE MATTER OF
6799221 CANADA LIMITED
AND
PERSISTENCE CAPITAL PARTNERS LP

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of Quebec and Ontario (the "**Jurisdictions**") has received an application from 6799221 Canada Limited (the "**Offeror**"), a wholly-owned subsidiary of Persistence Capital Partners LP ("**PCP**"), and PCP (together with the Offeror, the "**Applicants**") in connection with the offer (the "**Offer**") by the Offeror to acquire all of the issued and outstanding ordinary trust units (the "**Units**") of Medisys Health Group Income Fund (the "Fund"), for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") to waive the requirements of the Legislation that:

1. a meeting of unitholders of the Fund (the "**Unitholders**") to approve a Compulsory Acquisition or any Subsequent Acquisition Transaction (each as defined below) be called; and

2. an information circular be sent to Unitholders in connection with a meeting to approve a Compulsory Acquisition or a Subsequent Acquisition Transaction (each as defined below);

(collectively, the "**Requested Relief**").

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

a) Autorité des marchés financiers is the principal regulator for this application; and

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

Interpretation

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

Representations

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

1. The Offeror is a corporation incorporated under the *Canada Business Corporations Act* and a wholly-owned subsidiary of PCP. The Offeror was formed for the purpose of making the Offer. Its registered office is located at 500 Sherbrooke Street West, Suite 500, Montreal, Quebec, H3A 3C6. The Offeror is not a reporting issuer in any jurisdiction.

2. PCP is a limited partnership formed under the *Partnership Act* (Manitoba) and the *Business Names Registration Act* (Manitoba). PCP currently carries on no operations or businesses other than those incidental to its formation and those relating to the equity investment in connection with the Offer. The principal place of business of PCP is located at 500 Sherbrooke Street West, Suite 500, Montreal, Quebec, H3A 3C6.

3. The Fund is an unincorporated, open-ended, limited purpose investment trust governed by the laws of the Province of Ontario, established pursuant to the Fund Declaration of Trust, dated November 19, 2004, as amended and restated on December 29, 2004, and as further amended by a first supplemental indenture dated January 31, 2005 (the "**Declaration of Trust**"). Its Units are listed for trading on the Toronto Stock Exchange under the symbol "MHG.UN". The registered office and principal office of the Fund are each located in Quebec.

4. The Offeror commenced the Offer on February 13, 2008 by delivering the Offer and a take-over bid circular (the "**Circular**"), prepared in compliance with the Legislation, to Unitholders.

5. The Offer includes the following terms and conditions:

   a) the Offeror has offered to acquire all of the issued and outstanding Units at a price of $8.50 per Unit, including any Units that may become issued and outstanding prior to the Expiry Time (defined below) upon the conversion, exchange or exercise of securities that are convertible into, or exchangeable or exercisable for, Units;

   b) the Offer is open for acceptance until 5:00 p.m. (Toronto time) on March 19, 2008, unless withdrawn, extended or varied by the Offeror (the "**Expiry Time**"); and

   c) there shall have been validly deposited under the Offer and not withdrawn at the Expiry Time that number of Units constituting (i) at least 50.1% of the total number of Units outstanding (calculated on a fully diluted basis, excluding the Exchangeable Securities, as defined below) and (ii) together with any Units beneficially owned, or over which control or direction is exercised, by the Offeror and its joint actors, at least 66 2/3% of the Units outstanding at the Expiry Time, calculated on a fully-diluted basis, including the Exchangeable Securities (the "**Minimum Condition**").

6. All of the issued and outstanding Units are held by CDS Clearing and Depositary Services Inc. in book-entry only form.

7. If the conditions of the Offer (including the Minimum Condition) are satisfied or waived and the Offeror takes up and pays for the Units deposited under the Offer, the Offeror will, to the extent possible, acquire, or cause the redemption of, directly or indirectly, the Units not tendered to the Offer (the "**Remaining Units**") through a Compulsory Acquisition or a Subsequent Acquisition Transaction.

8. Section 13.13 of the Declaration of Trust currently permits an offeror to acquire the Units not tendered to an offer (a "**Compulsory Acquisition**") if, within the time provided in the offer for its acceptance or within 45 days after the date the offer is made, whichever period is the shorter, the offer is accepted by the holders representing at least 90% of the total outstanding Units, including the Units issuable at that time in

accordance with the Exchange Agreement dated May 31, 2005 entered into by the Fund, Medisys Health Group Trust, Medisys Holding LP, the general partner of Medisys Holding LP, Dr. Sheldon Elman, 4093496 Canada Inc. and 4107225 Canada Inc. and the holder of Class C limited partnership units of Medisys Holding LP, in connection with the exercise in full of the exchange rights associated with the outstanding special shares of Medisys GP Limited, Class B Units of Medisys Holding LP, and Class C limited partnership units of Medisys Holding LP (collectively, the "**Exchangeable Securities**").

9. Following certain amendments to the Declaration of Trust to be effected as described in the Circular, it is the intention of the Offeror to avail itself of the amended Compulsory Acquisition provisions of the Declaration of Trust, to acquire the Remaining Units. If the Offeror elects to proceeds with the Compulsory Acquisition, the consideration payable to acquire the remainder of the Units will be the identical consideration per Unit payable by the Offeror under the Offer.

10. If the Offeror is not entitled to acquire the Remaining Units through a Compulsory Acquisition or the Offeror decides not to avail itself of such rights, the Offeror intends to use reasonable commercial efforts to proceed with the acquisition or cause the redemption of the Remaining Units as soon as practicable by way of an alternative transaction involving the Fund and/or its subsidiaries and the Offeror or an affiliate of the Offeror (including a transaction involving amendments to the Declaration of Trust) which, if successfully completed, would result in the Offeror or an affiliate of the Offeror owning, directly or indirectly, all of the Units and/or all of the assets the Fund (a "**Subsequent Acquisition Transaction**").

11. In order to effect either a Compulsory Acquisition or a Subsequent Acquisition Transaction, if the Minimum Condition is satisfied, in accordance with the foregoing, rather than seeking Unitholder approval at a special meeting of the Unitholders to be called for such purpose, the Offeror intends to rely on section 12.10 of the Declaration of Trust, which would permit the special resolutions to be approved in writing by Unitholders holding not less than 66 2/3% of the issued and outstanding Units and special voting units of the Fund.

12. A Compulsory Acquisition and a Subsequent Acquisition Transaction would be a "business combination" under Regulation 61-101 *respecting Protection of Minority Security Holders in Special Transactions* ("**Regulation 61-101**").

13. To effect either a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror will comply with the provisions of Regulation 61-101 and, specifically, will obtain minority approval (as the term is defined in Regulation 61-101) calculated in accordance with the terms of Part 8 of Regulation 61-101 ("**Minority Approval**") by written resolution rather than at a meeting of Unitholders.

14. The Circular contains all disclosure required by applicable Legislation, including, without the limitation, the take-over bid provisions and form requirements of the Legislation, including the provisions of Regulation 61-101 relating to the disclosure required to be included in a disclosure document for a formal bid in respect of a second-step business combination.

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 decision has been met.

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

(i) the Offeror takes up and pays for Units tendered to the Offer; and

(ii) the Minority Approval is obtained by written resolution rather than at a meeting of Unitholders.

"Josée Deslauriers"
Director, Financial Markets
Autorité des marchés financiers

2.1.8 Sentry Select Global Real Estate Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – investment fund granted relief from delivering annual financial statements and from preparing annual management report of fund performance for first fiscal year end – financial statements and management report of fund performance would only cover a short operating period. – first interim MRFP must include financial highlights.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.2, 5.1(2)(a).

March 18, 2008

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

AND

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

AND

IN THE MATTER OF
SENTRY SELECT GLOBAL REAL ESTATE FUND

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from Sentry Select Global Real Estate Fund (the "**Filer**") for a decision under the securities legislation (the "**Legislation**") of the Jurisdictions for:

(a) an exemption from the requirement contained in section 5.1(2)(a) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* ("**NI 81-106**") to deliver to its securityholders annual financial statements for the financial year ended December 31, 2007 (the "**Initial Financial Statements**"); and

(b) an exemption from the requirement contained in section 4.2 of NI 81-106 to prepare and file a management report of fund performance ("**MRFP**") for the financial year ended December 31, 2007.

(collectively, the "**Requested Relief**").

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

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

(b) 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.

"Initial Closing" means the initial distribution of units and warrants of the Filer which was completed on December 20, 2007;

"Initial Financial Statements" means the financial statements for the financial year ended December 31, 2007 of the Filer;

"Prospectus" means the final prospectus of the Filer dated November 29, 2007; and

"Second Closing" means the closing of the Filer when the over-allotment option was exercised, which occurred on January 10, 2008.

Representations

1. The Filer is an investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of November 29, 2007, as it may be amended from time to time. The fiscal year end of the Filer is December 31. The Filer filed the Prospectus with the Jurisdictions pursuant to which the Initial Closing was completed. The Second Closing of the Filer did not occur until after the Filer's financial year end.

2. The Filer was created to provide securityholders with exposure to the global real estate market.

3. In the absence of the Requested Relief, the Filer would be required to:

   (a) deliver to its securityholders the Initial Financial Statements; and

   (b) prepare and file in the Jurisdictions an MRFP for the financial year ended December 31, 2007 for each of the Jurisdictions.

Delivery of Financial Statements

4. The benefit to be derived by the securityholders of the Filer from receiving the Initial Financial Statements would be minimal in view of:

   (i) the short period from the date of the Initial Closing, December 20, 2007, to the fiscal year end, December 31, 2007;

   (ii) the fact that the Second Closing of the Filer did not occur until January 10, 2008, after the Filer's financial year end;

   (iii) an audited statement of financial position was contained in the Prospectus; and

   (iv) the nature of the minimal business carried on by the Filer from November 29, 2007 to December 31, 2007.

6. The expense to the Filer of sending to its securityholders the Initial Financial Statements would not be justified in view of the benefit to be derived by the securityholders from receiving the Initial Financial Statements.

7. The Fund's financial statements will be audited for the period ended December 31, 2007.

Management Report of Fund Performance

8. The limited activities of the Filer for the period from November 29, 2007 to December 31, 2007 do not provide meaningful information for the purposes of the preparation of an MRFP.

9. In respect of certain MRFP requirements, Form 81-106F1 requires a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund, a summary of the results of operations of the investment fund for the financial year in which the management discussion of fund performance pertains, a discussion of the recent developments affecting the investment fund, a discussion of any transactions involving related parties to the investment fund, disclosure of selected financial highlights for the investment fund, and a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the MRFP pertains. Given the minimal business carried on by the Filer, the fact that the Filer had its Initial Closing on December 20, 2007, and the fact that the Second Closing of the Filer did not occur until January 10, 2008, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in an MRFP.

Decision

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

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

   (i) the Initial Financial Statements are filed and posted for viewing on SEDAR and www.sentryselect.com;

   (ii) the Filer will send a copy of such Initial Financial Statements to any securityholder of the Filer who requests such copy; and

   (iii) the Filer will prepare an MRFP for the period ended June 30, 2008 in accordance with Form 81-106F1, except that it will also include financial highlights as required by Part B, Item 3 of Form 81-106F1.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.9 ABN AMRO Global Equity Exposure Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – approval granted for change of control of manager of a mutual fund – indirect change of control of manager as a result of reorganization subsequent to a takeover.

Applicable Legislative Provisions

National Instrument 81–102 Mutual Funds, s. 5.5(2).

March 18, 2008

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

AND

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

AND

IN THE MATTER OF
ABN AMRO GLOBAL EQUITY EXPOSURE FUND, ABN AMRO ASSET MANAGEMENT CANADA LIMITED, FORTIS N.V. AND FORTIS SA/NV

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from Fortis N.V. and Fortis SA/NV (collectively, **Fortis**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for approval of the change of control of ABN AMRO Asset Management Canada Limited (the **Manager**), the manager, trustee and portfolio advisor of the ABN AMRO Global Equity Exposure Fund (the **Fund**), in accordance with subsection 5.5(2) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**).

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

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

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

Interpretation

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

Representations

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

1. The consortium, comprised of The Royal Bank of Scotland Group plc, Fortis and Banco Santander S.A. (**Santander**), through a newly incorporated acquisition vehicle, RFS Holdings B.V., acquired control of ABN AMRO Holding N.V. (**ABN AMRO**), and indirectly acquired control of the Manager, last year.

2. Fortis is an international financial services provider engaged in banking and insurance. Fortis offers its personal, business and institutional customers a comprehensive package of products and services through its own channels, in collaboration with intermediaries and through other distribution partners.

3. The asset management business unit of ABN AMRO is to be acquired by Fortis (except for the asset management business in Brazil, which is intended to be transferred to Santander). This will be effected by the transfer of ABN AMRO Asset Management Holding N.V. (**AAAMH**) to Fortis. The asset management activities of ABN AMRO are carried out in Canada by, among others, the Manager, which is a wholly-owned subsidiary of AAAMH.

4. Following the acquisition of AAAMH by Fortis, Fortis intends to transfer most of the business of AAAMH, including the business of the Manager, to Fortis Investment Management SA (**FIM**).

5. FIM is a multi-centre, multi-product asset manager. Based in Europe, the company enjoys a world-wide presence through its sales bureaus and 20 specialised investment centres in Europe, the United States and Asia.

6. The Dutch central bank, De Nederlandsche Bank N.V. (**DNB**), has informed Fortis that it does not have objections against approving the transfer of AAAMH.

7. It is expected that Fortis will indirectly acquire control of the Manager on or about March 31, 2008.

8. The Fund is an open-end mutual fund trust established under the laws of Ontario pursuant to

a declaration of trust dated February 4, 2005. Units of the Fund are currently offered to the public in each of the Jurisdictions pursuant to a simplified prospectus and annual information form, in both the English and French languages, each dated February 19, 2008.

9. It is not expected that the indirect acquisition of the Manager by Fortis will initially result in any material changes to the management or administration of the Fund. The Manager will still be the manager, trustee and portfolio advisor of the Fund, and the fundamental investment objective of the Fund will still be the same.

10. It is not expected that the indirect acquisition of the Manager by Fortis will immediately result in any significant changes to the management structure of the Manager. The Manager will initially continue to operate as a separate distinct business unit, substantially in the same manner as it is operated today with substantially the same personnel.

11. Unitholders of the Fund were sent a notice advising them of the proposed indirect change of control of the Manager by Fortis on November 28, 2007 with a follow-up notice on February 1, 2008.

12. Fortis is a well recognized, and well established financial institution with adequate depth and personnel to ensure that the Manager will initially continue to operate in substantially the same manner as it operates today, and that the Fund and the unitholders of the Fund will not be adversely affected as a result of the acquisition of the Manager by Fortis.

13. The indirect acquisition of the Manager by Fortis will constitute an indirect change of control of the Manager for purposes of subsection 5.5(2) of NI 81-102.

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 indirect change of control of the Manager by Fortis is approved pursuant to section 5.5(2) of NI 81-102.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.10 Shire Acquisition Inc. - s. 1(10)

Headnote

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

Ontario Statutes

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

Montréal, March 14, 2008

Stikeman Elliott, LLP.
Tower 56, 14th Floor
126 East 56th Street
New York (N.Y.) 10022

Attention: Mr. Mathieu Grenier

Dear Sir,

Re: Shire Acquisition Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec and Nova Scotia (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

“Marie-Christine Barrette”
Manager of Financial Disclosure Department
Autorité des marchés financiers

2.1.11 TriNorth Capital Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations,s. 13.1 – Filer exempt from the requirement to prepare and file comparative interim and annual financial statements for periods prior to the Filer's reorganization – Pursuant to the reorganization all of the Filer's assets and liabilities were transferred to Centiva in exchange for common shares that were distributed to the Filer's shareholders – New manager was appointed to manage the assets of the Filer upon completion of the Reorganization – The Filer's historical financial statements for periods prior to the reorganization are not relevant to the business carried on by the Filer post-Reorganization.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 4.1, 4.3.

March 18, 2008

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

AND

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

AND

IN THE MATTER OF
TRINORTH CAPITAL 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) for an exemption from the requirement in the Legislation for the Filer to prepare and file comparative interim and annual financial statements for periods prior to October 10, 2007 pursuant to sections 4.1 and 4.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* (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 the decision.

Representations

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

1. The Filer was incorporated under the laws of Canada on January 14, 1972 and continued under the *Canada Business Corporations Act* by articles of continuance dated November 19, 1979. Its head and registered offices are located at 220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4.

2. The financial year end of the Filer is December 31.

3. The Filer is a reporting issuer in each of the provinces of Canada. Its common shares trade on the Toronto Stock Exchange under the symbol "TRT".

4. Prior to October 10, 2007, the Filer was a Canadian-based investment company with investments in privately held and publicly-traded companies. An opportunity was presented to the Filer to raise equity from a broad group of investors interested in having the Filer appoint Lawrence Asset Management Inc. (the "Manager") to manage the assets of the Filer commencing upon the completion of the Reorganization (as defined below). Since the Reorganization, the Manager has exclusive authority to manage and to make all decisions regarding the undertaking of the Filer. The Manager is responsible for the management and control of the business and affairs of the Filer on a day-to-day basis and for implementing the investment strategies of the Filer.

5. The Manager is a performance oriented investment firm that manages a growing family of alternative investment funds designed to deliver a combination of capital appreciation and yield in a tax efficient manner. Its head and registered offices are located at 220 Bay Street, Suite 1500, Toronto, Ontario, M5J 2W4.

6. At a special meeting held on September 7, 2007, the shareholders of the Filer adopted a special resolution approving the completion of a reorganization (the "Reorganization"). Pursuant to the Reorganization completed on October 10, 2007, all of the Filer's assets and liabilities (except liabilities relating to the Filer's refinancing) were transferred to Centiva Capital Inc. ("Centiva"), a wholly-owned subsidiary of the Filer in exchange for common shares of Centiva.

7. To give effect to the Reorganization, the Filer:

   (a) transferred all of its assets and liabilities (except liabilities relating to the Filer's refinancing) to Centiva in exchange for common shares of Centiva;

   (b) reduced the stated capital of the Filer's common shares; and

   (c) distributed to its shareholders all of the common shares of Centiva as a payment on the reduction of stated capital.

8. All directors and officers of the Filer other than Mr. John Pennal resigned upon the Reorganization becoming effective and have been replaced by new directors and officers.

9. Since the Reorganization, the Filer has not owned, and the Filer does not currently own, any common shares of Centiva.

10. The Filer is now a Canadian-based investment company that has a number of venture investments and a portfolio of marketable securities. The Filer's primary source of revenue arises from interest income from its cash and cash equivalents and capital gains and dividends from its marketable securities and other investments.

11. The Filer's historical financial statements for periods prior to October 10, 2007 are not relevant to the business carried on by the Filer post-Reorganization.

12. Including comparative statements would be of little value to investors given that all of the assets and liabilities of the Filer related to the period prior to the Reorganization were transferred to Centiva in connection with the Reorganization. Presenting financial information of the Filer for periods prior to October 10, 2007 will not provide meaningful disclosure to investors and could be misleading as this historical financial information relates to a business that has been transferred to Centiva.

13. The Filer will include the following disclosure to the notes to the financial statements for the period from January 1, 2007 to October 10, 2007:

    "1. FINANCING and REORGANIZATION

    On July 19, 2007 TriNorth Capital Inc. (the "Company") engaged Agents for a private placement of special warrants to be sold by offering memorandum. The offering (the "Financing") closed on August 30, 2007 and resulted in net proceeds of $24,242,957 which were placed in escrow. Each special

warrant was exercisable into one common share and one common share purchase warrant for no additional consideration on closing of the Reorganization (as defined below).

At a special meeting held on September 7, 2007, the Company adopted a special resolution approving the completion of a reorganization of the Company's net assets (the "Reorganization"). Pursuant to the Reorganization, all of the Company's assets and liabilities (except those relating to the Company's refinancing) were transferred on October 10, 2007 to Centiva Capital Inc. ("Centiva"), a wholly-owned subsidiary of the Company, in exchange for common shares of Centiva. All of the common shares of Centiva were then distributed to existing shareholders of the Company, except for shareholders resident in the United States who received cash in lieu of such common shares.

The special warrants were exercised on November 22, 2007.

2. FINANCIAL STATEMENT PRESENTATION

With the disposal effective October 10, 2007 of all then-existing assets and liabilities of the Company other than those resulting from the financing, the attached financial statements and notes thereto reflect the Company's operations from October 11, 2007 only, except where otherwise stated."

Decision

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

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.12 Tamarack Capital Advisors Inc. - s. 7.1(1) of NI 33-109 Registration Information

Headnote

Application pursuant to section 7.1 of NI 33-109 that the Applicant be relieved from the Form 33-109F requirements in respect of certain of its officers. The exempted officers are without significant authority over any part of the Applicant's operations and have no connection with its Ontario operation. The Applicant is still required to submit 33-109 F4s on behalf of its directing minds, who are certain Executive Officers, and its Registered Individuals, who are those officers involved in the Ontario business activities.

Statutes Cited

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

Rules Cited

National Instrument 33-109 -- Registration Information.

March 25, 2008

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

AND

IN THE MATTER OF
TAMARACK CAPITAL ADVISORS INC.

DECISION
(SUBSECTION 7.1(1) OF
NATIONAL INSTRUMENT 33-109)

UPON the application (the **Application**) of Tamarack Capital Advisors Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) pursuant to section 7.1 of National Instrument 33-109 – *Registration Information* (**NI 33-109**) for an exemption from the requirement in subsection 2.1(c) and section 3.3 of NI 33-109 that the Applicant submit a completed Form 33-109F4 for all Non-Registered Individuals of the Applicant in connection with the Applicant's registration as a dealer in the category of limited market dealer (extra-provincial);

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

AND UPON the Applicant having represented to the Director that:

1. The Applicant is a corporation organized under the laws of the Province of Alberta. The head office of the Applicant is located in Calgary, Alberta.

2. The Applicant is concurrently applying for registration under the Act as a limited market dealer. The Applicant is not currently registered with any other securities regulatory authority.

3. The Applicant's primary business activities are trading in securities with institutional investors, primarily large corporations and pension plans.

4. All individuals who intend to engage in trading activities in Ontario on behalf of the Applicant and who are officers of the Applicant, will seek to become registered as trading officers (the **Registered Individuals**) in accordance with the registration requirement under section 25(1) of the Act and the requirements of National Instrument 31-102 – *National Registration Database* (**NI 31-102**), by submitting a Form 33-109F4 completed with all the information required for a Registered Individual.

5. Pursuant to NI 33-109, a limited market dealer is required to submit, in accordance with NI 31-102, a completed Form 33-109F4 for each non-registered individual of the Applicant, including all directors and officers who have not applied to become registered individuals of the Applicant under subsection 2.2(1) of NI 33-109.

6. The Applicant's remaining directors and officers will not be seeking registration under the proposed registration application (the **Non-Registered Individuals**). Pursuant to NI 33-109, a "non-registered individual" includes a director or officer of a firm who is not registered to trade on behalf of the firm. There are currently no individuals who would be included in the definition of "non-registered individual" by reason of an ownership interest in the Applicant or other criteria set out in NI-33-109.

7. Other than the Executive Officers (as defined below), the Applicant's remaining officers would not reasonably be considered to be senior officers of the Applicant from a functional point of view. These officers have the title "vice-president" or a similar title but are not in charge of a principal business unit, division or function of the Applicant and, in any event will not be involved or have oversight of, or direction over, the Applicant's trading activities in Ontario (the **Nominal Officers**). The Applicant considers its Non-Registered Individuals who will be seeking non-trading officer status (the **Executive Officers**) as the holders of its most senior executive positions and/or members of the Applicant's executive committee and/or are the individuals that are in direct contact with its Canadian clients from a marketing or direct client relationship perspective. There are currently 12 Executive Officers, eight of whom are directors of the Applicant.

8. The Applicant seeks relief from the requirement to submit Form 33-109F4s for the Nominal Officers. The Applicant proposes to submit Form 33-

109F4s on behalf of each of its Executive Officers completed with all the information required for a Non-Registered Individual. The Applicant also proposes to submit a Form 33-109F4 for its Designated Compliance Officer.

9. In the absence of the requested relief, the subsection 2.1(c) of NI 33-109 would require that in conjunction with its proposed registration application, the Applicant submit a completed Form 33-109F4 for each of its Nominal Officers, rather than limiting this filing requirement to the much smaller number of Executive Officers. In addition, the Applicant would be required to submit a completed Form 33-109F4 for any additional new Nominal Officer, if the requested exemption is not granted. The information contained in the filed Form 33-109F4s would also need to be monitored on a constant basis to ensure that notices of change were submitted in accordance with the requirements of section 5.1 of NI 33-109.

10. Given the relatively small scope of the Applicant's proposed activities in Ontario and given that the Nominal Officers will not have any involvement in the Applicant's Ontario activities, the preparation and filing of Form 33-109F4s on behalf of each Nominal Officer would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant.

AND WHEREAS the Director is satisfied that it would be not prejudicial to the public interest to make the requested Order on the basis of the terms and conditions proposed.

IT IS ORDERED pursuant to section 7.1 of NI 33-109 that the Applicant is exempt from the requirement in subsection 2.1(c) of NI 33-109 and section 3.3 of NI 33-109 to submit a completed Form 33-109F4 for each of its Non-Registered Individuals who are Nominal Officers not involved in its Ontario business, provided that at no time will the Nominal Officers include any Executive Officer or Designated Compliance Officer, or other officer who will be involved in, or have oversight of, the Applicant's activities in Ontario in any capacity.

"David M. Gilkes"

2.1.13 Cadbury Schweppes PLC et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Securities Act(Ontario), ss. 25 and 53 - Application for relief from the prospectus requirement and the dealer registration requirement in respect of certain trades involving employees made in connection with a corporate restructuring and demerger by a United Kingdom company that is not a reporting issuer in Canada - Certain participants in U.K. company employee share schemes will receive rollover or replacement options/awards over shares of a newly-created U.K. parent issuer as a result of the restructuring and demerger - Newly-created U.K. parent issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptionsfor options/awards issued to either former employees of U.K. company and its affiliates or former employees of U.K. company and its affiliates who have been transferred to an unrelated United States entity - former employees and transferred employees require prospectus and registration relief for first trades of shares issued upon exercise of options/awards - Number of Canadian resident employees de minimis- No market for shares of the issuer in Canada - Canadian resident employees were not induced to participate in the employee share schemes by expectation of employment or continued employment - rollover and replacement options/awards will be held, in general, on the same terms and conditions as existing options/awards - Canadian resident participants will receive disclosure about key implications of corporate restructuring and demerger for participation in the applicable employee share scheme - Relief granted, subject to conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

March 20, 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
CADBURY SCHWEPPES PLC, CADBURY PLC AND
DR PEPPER SNAPPLE GROUP, INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from Cadbury Schweppes plc ("**Cadbury**"), New Cadbury and US Newco (each as defined below and, together with Cadbury, the "**Filers**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the requirements contained in the Legislation to be registered to trade in a security (the "**Registration Requirements**") and to file and obtain a receipt for a preliminary prospectus and prospectus (the "**Prospectus Requirements**") shall not apply to:

(a) the issuance by New Cadbury of New Cadbury Rollover Awards (as defined below) to Former Employees (as defined below) and Transferred Employees (as defined below);

(b) the issuance by New Cadbury of New Cadbury Awards (as defined below) to Former Employees; and

(c) the first trades by Former Employees and Transferred Employees resident in Canada of New Cadbury Shares (as defined below) issued on exercise of New Cadbury Rollover Awards and New Cadbury Awards.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* have the same meaning in this decision unless otherwise set forth herein.

Representations

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

1. Cadbury is incorporated in England and Wales and has its registered head office in London, England.

2. The ordinary shares of Cadbury (the "**Cadbury Shares**") have been admitted to trading on the London Stock Exchange (the "**LSE**"), with a secondary listing on the New York Stock Exchange (the "**NYSE**") in the form of American Depositary Shares ("**ADSs**") (whereby one ADS represents four Cadbury Shares).

3. Cadbury proposes to introduce a new holding company of the Cadbury Schweppes group and demerge its Americas Beverages business (the "**Proposal**") by way of a court-sanctioned scheme of arrangement of Cadbury under Section 425 of the *Companies Act 1985* (United Kingdom) (the "**U.K. Companies Act**") (the "**Arrangement**") and a subsequent court-approved reduction of share capital under Sections 135 and 136 of the U.K. Companies Act (the "**Reduction**"). The Arrangement and Reduction will be subject to the approval of Cadbury shareholders.

4. Following implementation of the Proposal:

   (a) Cadbury's Americas Beverages business will be owned by a new company incorporated in the United States named Dr Pepper Snapple Group, Inc. ("**US Newco**"); and

   (b) Cadbury's confectionery business will be owned by a new holding company to be incorporated in England and Wales and named Cadbury plc ("**New Cadbury**").

5. Cadbury's shareholders will vote at a meeting convened by the English Court to approve the Arrangement. If the requisite number of shareholders vote in favour of the Arrangement, Cadbury will seek the sanction of the English Court to the Arrangement.

6. Pursuant to the Arrangement, each Cadbury Share will be cancelled and in consideration for the cancellation of the Cadbury Shares, holders thereof will receive new ordinary shares of New Cadbury ("**New Cadbury Shares**") and new beverage shares ("**Beverage Shares**"). The New Cadbury Shares will be admitted to trading on the LSE and new ADSs representing the New Cadbury Shares will be listed on the NYSE. The Beverage Shares will not be listed and will not be transferable.

7. New shares in Cadbury will be issued to New Cadbury, which will become the parent company of Cadbury and the holding company of the Cadbury Schweppes group. Upon the Arrangement becoming effective, Cadbury will be re-registered as a private limited company and thereafter be known as Cadbury Schweppes Limited.

8. The initial subscribers of New Cadbury will pass a resolution to approve the Reduction. Cadbury shareholders will be asked to give their confirmatory approval to the Reduction at an extraordinary general meeting to be held on the same day as the meeting described in paragraph 5 above. Immediately following the Arrangement becoming effective and being fully implemented, an application will be made to the English Court to confirm the Reduction. If the requisite number of Cadbury and New Cadbury shareholders vote in favour of the Reduction and the Reduction is confirmed by the English Court: (i) the Beverage Shares will be cancelled, (ii) New Cadbury will transfer the Americas Beverages business to US Newco, and (iii) US Newco will issue shares in US Newco (the "**US Newco Shares**") to the New Cadbury shareholders. The US Newco Shares will be listed on the NYSE only.

9. As at January 31, 2008, 2,109,538,137 Cadbury Shares were issued and outstanding, of which Canadian residents held 291,469 Cadbury Shares. As at January 31, 2008, 86,067,177 ADSs were issued and outstanding, of which Canadian residents held 93,620 ADSs.

10. The Cadbury Shares are not listed on any securities exchange in Canada. The New Cadbury Shares and US Newco Shares will not be listed on any securities exchange in Canada.

11. Cadbury is not, and has no current intention of becoming, a reporting issuer under applicable securities legislation in any of the Jurisdictions. Neither New Cadbury nor US Newco have any current intention of becoming a reporting issuer in any of the Jurisdictions.

12. Canadian employees, executive officers and directors of Cadbury participate in the following employee share schemes, which Cadbury has adopted to enable eligible employees, executive officers and directors of Cadbury and its affiliates to participate in Cadbury's growth and financial success through options or rights to acquire Cadbury Shares: Cadbury Schweppes Share Option Plan 2004, the Cadbury Schweppes (New Issue) Share Option Plan 2004, the Cadbury Schweppes Bonus Share Retention Plan 2004, the Cadbury Schweppes plc Americas Employees Share Option Plan 2005, the Cadbury Schweppes Long Term Incentive Plans 2004, and the Cadbury Schweppes International Share Award Plan (collectively, the "**Employee Share Schemes**").

13. Awards under the Employee Share Schemes consist of: (a) market value stock options, (b) nil-cost stock options, or (c) contingent awards (collectively, the "**Existing Cadbury Awards**").

14. At the time of the Arrangement, the terms of the Employee Share Schemes will provide that where a company obtains control of Cadbury in pursuance of an arrangement under section 425 of the U.K. Companies Act, a participant may release his or her award in consideration for the grant to him or her of a replacement award over shares in the acquiring company or some other company, or the committee responsible for administering the Employee Share Plans (the "**Committee**") may deem a participant to have agreed to release his or her old award in return for the grant of a new award.

15. In accordance with the terms of the Employee Share Schemes, under the Proposal participants in the Employee Share Schemes will generally be dealt with as follows:

    (a) where Existing Cadbury Awards are already exercisable, or become exercisable as a result of the Arrangement, participants:

        (i) may exercise their Existing Cadbury Awards and therefore participate in the Arrangement in the same way as all other holders of Cadbury Shares; or

        (ii) may rollover their Existing Cadbury Awards so that they are replaced with equivalent options/awards over New Cadbury Shares ("**New Cadbury Rollover Awards**"); or

    (b) where Existing Cadbury Awards are not already exercisable and do not become exercisable as a result of the Arrangement, or where Existing Cadbury Awards do not vest as a result of the Arrangement, participants will be granted replacement options/awards over New Cadbury Shares ("New Cadbury Awards") by New Cadbury (if they are employees of Cadbury's confectionery business or former employees of the Cadbury Schweppes group) or US Newco Shares ("**US Newco Awards**") by US Newco (if they are employees of the Americas Beverages business).

16. Replacement awards/options will be held, in general, on the same terms and conditions as Existing Cadbury Awards (except that in most cases replacement awards/ options will not be subject to any future performance targets as these will have been measured at the time of implementation of the Proposal). If the participants do not voluntarily elect to exchange their Existing Cadbury Awards, pursuant to the terms of the applicable Employee Share Scheme, the Committee will deem the participant to have agreed to release his or her Existing Cadbury Awards in return for the grant of New Cadbury Rollover Awards, New Cadbury Awards or US Newco Awards, as applicable.

17. While the transactions relating to the Employee Share Schemes are not formally part of the Arrangement or Reduction, they are contingent on same being approved by Cadbury shareholders and will occur concurrently with the completion of the Proposal.

18. Existing Cadbury Awards are not transferable other than in accordance with their terms.

19. Participation in the Employee Share Schemes is voluntary and the participants were not induced to participate in the Employee Shares Schemes by expectation of employment or continued employment.

20. Canadian participants in the Employee Share Schemes will receive a personalized letter outlining the key implications of the Proposal for participation in the relevant plan and what action, if any, needs to be taken by the participant.

21. At the time of the rollover of their Existing Cadbury Awards into New Cadbury Rollover Awards as described in paragraph 15(a)(ii) above, the participants in the Employee Share Schemes who are currently employees, executive officers or directors of the Americas Beverages business will be employees, executive officers or directors of US Newco ("**Transferred Employees**"). By nature of the demerger transaction, US Newco will no longer be a member of the New Cadbury group and as such will not, as a technical matter, be a related entity of New Cadbury.

22. Participants in the Employee Share Schemes who may receive New Cadbury Rollover Awards or New Cadbury Awards include former employees, executive officers and directors of Cadbury and its affiliates, including Canadian affiliates ("**Former Employees**").

23. Approximately 907 employees or Former Employees of Cadbury in Canada participate in the Employee Shares Schemes. The following table sets forth the number of participants in each of the Jurisdictions, as well as the number of Former Employees in respect of which relief is sought, as at February 6, 2008, and the number of Transferred Employees in respect of which relief is sought, as at February 1, 2008:

Province	**Total Number of Participants**	**Number of Transferred Employees who are Participants**	**Number of Former Employees who are Participants**
Alberta	24	2	4
British Columbia	11	0	0
Manitoba	5	0	0
New Brunswick	0	0	0
Newfoundland and Labrador	2	0	0
Nova Scotia	7	0	0
Ontario	820	57	117
Québec	34	6	9
Saskatchewan	3	0	0
Total	907	65	130

24. As there will be no market for the New Cadbury Shares or the US Newco Shares in Canada, it is expected that any resales of the New Cadbury Shares and US Newco Shares will be made through an exchange outside of Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Registration Requirements and the Prospectus Requirements shall not apply to:

(a) the issuance by New Cadbury of New Cadbury Rollover Awards to Former Employees and Transferred Employees;

(b) the issuance by New Cadbury of New Cadbury Awards to Former Employees; and

(c) the first trades by Former Employees and Transferred Employees resident in Canada of New Cadbury Shares issued on exercise of New Cadbury Rollover Awards and New Cadbury Awards, provided that in respect of such first trades the following conditions are met:

(i) New Cadbury:

(A) was not a reporting issuer in any jurisdiction of Canada at the date of the distribution of the New Cadbury Rollover Awards or New Cadbury Awards, or

(B) is not a reporting issuer in any jurisdiction of Canada at the date of the first trade of New Cadbury Rollover Awards or New Cadbury Awards;

(ii) at the date of the distribution of the New Cadbury Rollover Awards or New Cadbury Awards, after giving effect to the exercise of the New Cadbury Rollover Awards and New Cadbury Awards, residents of Canada:

(A) did not own directly or indirectly more than 10% of the outstanding New Cadbury Shares; and

(B) did not represent in number more than 10% of the total number of owners directly or indirectly of New Cadbury Shares; and

(iii) the first trade of New Cadbury Shares is made (A) through an exchange, or a market, outside of Canada, or (B) to a person or company outside of Canada.

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

2.1.14 First Asset Renewable Power Flow-Through Limited Partnership et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Proposed merger of limited partnerships into existing exchange-traded investment fund – Relief required from prohibition in section 118(2)(b) of the Act and section 115(6) of Ontario Regulation 1015 and equivalent legislation in the Jurisdictions – Securityholder meeting not required as the Partnerships and Continuing Fund are not NI 81-102 funds and constating documents of the Partnerships authorize their General Partner to effect a merger without a securityholder meeting.

Applicable Legislative Provisions

Securities Act (Ontario), ss. 118(2)(b), 121, 147.
Ontario Regulation 1015, s. 115(6).

March 20, 2008

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

AND

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

AND

IN THE MATTER OF
FIRST ASSET RENEWABLE POWER
FLOW-THROUGH LIMITED PARTNERSHIP,
FIRST ASSET RENEWABLE POWER
FLOW-THROUGH LP II,
FIRST ASSET RENEWABLE POWER
FLOW-THROUGH LP III,
FIRST ASSET RENEWABLE POWER
FLOW-THROUGH LP IV AND
FIRST ASSET POWERGEN FUND
(collectively, the "Funds")

AND

FIRST ASSET INVESTMENT MANAGEMENT INC.
("FAIMI" or the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer, on behalf of the Funds for a decision under the securities legislation of the Jurisdictions (the "Legislation") granting relief from

(a) the restriction contained in the Legislation prohibiting a purchase or sale of any securities 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, and

(b) the restriction in the Legislation which prohibits the portfolio manager from purchasing or selling the securities of any issuer from or to the account of a responsible person or any associate of a responsible person in connection with a proposed merger (the "Proposed Merger")

between First Asset Renewable Power Flow-Through Limited Partnership ("Power LP I"), First Asset Renewable Power Flow-Through LP II ("Power LP II"), First Asset Renewable Power Flow-Through LP III ("Power LP III"), First Asset Renewable Power Flow-Through LP IV ("Power LP IV", collectively with Power LP I, Power LP II and Power LP III, the "Partnerships") and First Asset PowerGen Fund ("PowerGen", collectively with the Partnerships, the "Funds") (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations:

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

1. The Filer intends to merge the Partnerships and PowerGen, which will involve the transfer of the assets and liabilities of the Partnerships in exchange for units of PowerGen.

2. At the time the Proposed Merger is effected, the Filer will be the "portfolio manager" or a "responsible person" of each of the Funds for the purposes of the Legislation.

3. PowerGen is an "associate" of the Filer due to the fact that the Filer is its trustee.

4. The transfer of the investment portfolio of the Partnerships to PowerGen by operation of the

Proposed Merger may be considered a sale of securities caused by the Filer from the Partnerships to the account of PowerGen for which the Filer is also portfolio manager, contrary to the Legislation.

5. Each of the Partnerships is a limited partnership established under the laws of the Province of Ontario pursuant to a limited partnership agreement, each as may be amended and restated from time to time, by the relevant general partner and the Filer is the investment advisor of each of the Partnerships.

6. PowerGen is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated April 25, 2001, as amended by supplemental trust agreements dated as of April 22, 2005 and April 26, 2006, and as amended and restated by the trust agreement dated October 30, 2006 and further amended by the supplemental trust agreement dated March 8, 2008 and the Filer is the manager and trustee of PowerGen.

7. Each of the Partnerships and PowerGen are reporting issuers in the Jurisdictions.

8. The outstanding units of PowerGen are listed and trade on the Toronto Stock Exchange ("TSX").

9. The Proposed Merger will be completed by the Partnerships in accordance with the permitted merger transaction provisions ("Permitted Merger Criteria") contained in the respective limited partnership agreements of each of the Partnerships. At a meeting of unitholders of the Partnerships held on December 7, 2007, the unitholders passed a resolution (the "Extraordinary Resolution") to approve the amendment of the Limited Partnership Agreements of each of the Partnerships. The Extraordinary Resolution grants the general partners of each Partnership (the "General Partners") the authority, without seeking unitholder approval, to merge the Partnerships in accordance with the Permitted Merger Criteria. The Permitted Merger Criteria authorizes the General Partners to take all steps that are necessary or desirable to merge the Partnerships with, either an issuer listed on the TSX or a mutual fund, in either case that is focused on the power sector and managed by an affiliate of the general partner. Accordingly, the Proposed Merger is not a matter that requires approval of the limited partners of the Partnerships.

10. The limited partners of the Partnerships will be notified of the Proposed Merger by issuance of a press release at least 20 days prior to the effective date of the Proposed Merger and a material change report will be filed.

11. The Proposed Merger is not a matter that requires unitholder approval under the PowerGen trust agreement.

12. The costs incurred in connection with the Proposed Merger will be borne by the Filer.

13. The Proposed Merger is expected to occur on or about April 15, 2008 (the "Effective Date").

14. The Proposed Merger will be referred to the Independent Review Committee of the Partnerships and PowerGen. A summary of the Independent Review Committee's decision will be included in a press release issued prior to the Effective Date.

15. It is anticipated that the following events will occur in order to give effect to the Proposed Merger:

    (a) the exchange ratio pursuant to which the property of the Partnerships will be exchanged for PowerGen units (the "Exchange Ratio") will be calculated based on the net asset value of the units of PowerGen determined as at the close of trading on the TSX on the day prior to the Effective Date;

    (b) the value of the property of the Partnerships will be based upon results of the audit of the Partnerships to be completed as at March 15, 2008. Approximately 79% of the aggregate net asset value of the Partnerships as at December 31, 2007 was constituted by shares of private companies. Ernst & Young LLP (the "Auditor") will conduct an audit of each Partnership's financial position as at March 15, 2008 (the "March Statements"), including a review to verify that the net asset value of each of the Partnerships is fairly stated in accordance with Generally Accepted Accounting Principles. As has been the case for the Partnerships' December 2007 and prior years' audited financial statements , the March Statements will reflect the values of the Partnerships' investments in private companies at those investments' fair values.

    (c) The Filer will publicly announce the Exchange Ratio in a press release following the close of trading on the day prior to the Effective Date;

    (d) on the Effective Date, each Partnership will transfer all of its property to PowerGen in consideration for the issuance of an appropriate number of PowerGen units based on the Exchange

Ratio and the assumption of the liabilities of the Partnerships by PowerGen;

(e) on the Effective Date, the Filer will deliver to CDS Clearing and Depository Services Inc. a certificate evidencing the aggregate number of PowerGen units acquired by each Partnership pursuant to the Proposed Merger; and

(f) immediately thereafter, the Partnership units will be redeemed and the limited partners will receive their pro rata share of the PowerGen units. Limited partners of the Partnerships will not be required to take any action in order to be recognized as unitholders of PowerGen or to be in a position to trade the PowerGen units following the Proposed Merger.

16. The Filer will file a press release to announce the completion of the Proposed Merger.

17. The Proposed Merger has been considered by the Filer, as the investment advisor of the Partnerships, and as the manager and trustee of PowerGen, because the Funds share similar investment objectives and a similar investment methodology which is focused on investing in a portfolio of securities of public and private companies in the power generation and related energy infrastructure sectors.

18. It is expected that the Proposed Merger will not be effected on a tax-deferred rollover basis.

19. The Partnerships and PowerGen each calculate net asset value in accordance with Canadian GAAP and provide exposure to the same industry sector.

20. The Proposed Merger will increase the assets in the merged fund to a market capitalization larger than the existing market capitalization of each of the Partnerships taken separately. The Proposed Merger therefore is expected to increase the on-going liquidity of the units, reduce operational costs on a per unit basis, and promote improved operational efficiencies and enhanced economical viability for the merged Fund. The holders of units of the Partnership will receive as a consequence of the Proposed Merger a security that is listed and which trades on the TSX. Administrative cost savings will also be realized through eliminating the duplication of certain third party costs associated with operating and administering the Funds.

21. As discussed above, pursuant to the Proposed Merger, the Partnerships will transfer all of their property to PowerGen in consideration for the issuance by PowerGen of an appropriate number of PowerGen units based on the Exchange Ratio and the assumption by PowerGen of the liabilities and obligations of the Partnerships. The transfer of property from the Partnerships to PowerGen and the issuance of PowerGen units will be based on the relative net asset value of the Funds.

22. In the opinion of the Filer, for the reasons indicated above, the Proposed Merger is in the best interests of the unitholders of the Funds and such unitholders will not be disadvantaged by the Proposed Merger.

23. In the absence of the Requested Relief, the Filer would be prohibited from purchasing and selling the securities of the Partnerships in connection with the Proposed Merger.

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.

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

"David L. Knight"
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 Franklin Danny White et al.

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

AND

IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK
BUSINESS CLUB LTD.,
MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, AND
CAPITAL INVESTMENTS OF AMERICA

ORDER

WHEREAS on February 7, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") with respect to the respondents Franklin Danny White ("White"), Naveed Ahmad Qureshi ("Qureshi"), WNBC The World Network Business Club Ltd. ("WNBC"), Mind Management Consulting ("MMCL"), Capital Reserve Financial Group ("Capital Reserve") and Capital Investments of America ("Capital Investments");

AND WHEREAS the first appearance for this matter was scheduled for Thursday, February 28, 2008 at 11:00 a.m.;

AND WHEREAS Staff of the Commission ("Staff") appeared at the hearing held on Thursday, February 28, 2008;

AND WHEREAS the Commission ordered that this matter be adjourned to March 18, 2008 at 3:00 p.m. for the purpose of scheduling hearing dates for the hearing on the merits and a pre-hearing conference;

AND WHEREAS on Tuesday, March 18, 2008 Staff and White (for himself, WNBC, and MMCL) appeared at the hearing held and made submissions to the Commission as to proposed dates for the hearing on the merits;

AND WHEREAS Staff and White advised the Commission that they were content with hearing dates to begin January 12, 2009 and ending on January 23, 2009;

AND WHEREAS White advised the Commission that he has spoken to Qureshi, who is no longer represented by counsel, and who is representing himself, Capital Reserve and Capital Investments, and Qureshi indicated to White that he agreed to the proposed dates for the hearing on the merits;

AND WHEREAS the parties requested that a pre-hearing conference be scheduled on June 24, 2008;

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

AND WHEREAS by Commission order dated April 4, 2007, pursuant to subsection 3.5(3) of the Act, each 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 HEREBY ORDERED:

1. that the hearing on the merits shall begin on January 12, 2009 and shall continue through to January 23, 2009, if necessary; and

2. that this matter be adjourned to June 24, 2008 at 2:30 p.m. for the purpose of a pre-hearing conference.

DATED at Toronto this19th day of March 2008.

"Lawrence E. Ritchie"

2.2.2 High American Gold Inc. - s. 144

Headnote

Section 144 - Revocation of cease trade order - Issuer subject to cease trade order as a result of its failure to file annual financial statements - Issuer has brought its filings up-to-date - Issuer is otherwise not in default of applicable securities legislation, except for certain matters which it intends to remedy.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1), 127(5), 127(8), 144.

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

AND

IN THE MATTER OF
HIGH AMERICAN GOLD INC.

ORDER
(Section 144)

WHEREAS the securities of High American Gold Inc. (the "Company") are subject to a temporary cease trade order dated August 26, 2002 made under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by a further order dated September 6, 2002 made under subsection 127(8) of the Act (collectively, the "Cease Trade Order"), ordering that all trading in securities of the Company cease;

AND WHEREAS the Company has applied to the Ontario Securities Commission (the "Commission") pursuant to section 144 of the Act (the "Application") for a revocation of the Cease Trade Order;

AND WHEREAS the Company has represented to the Commission that:

1. The Company was incorporated on November 12, 1996 pursuant to the *Business Corporations Act* (Ontario) ("OBCA") under the name Stromatalite Resource Corp. ("Stromatalite"). Pursuant to an amalgamation agreement dated April 25, 1997, Intex Mining Company Limited and Stromatalite amalgamated to form the Company.

2. The Company is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia and Alberta. The Company is not a reporting issuer or the equivalent in any other jurisdiction in Canada. The Company is also subject to cease trade orders in the provinces of Alberta and British Columbia. The Company has concurrently filed applications with each of the Alberta Securities Commission and British Columbia Securities Commission for a full revocation of their cease trade orders applicable in Alberta and British Columbia.

3. The Company's authorized capital consists of an unlimited number of common shares (the "Common Shares"), of which approximately 16,181,880 Common Shares are issued and outstanding.

4. The Common Shares of the Company are not listed or quoted on any exchange or market in Canada or elsewhere. The Common Shares of the Company were formerly listed and posted for trading on the TSX Venture Exchange (the "Exchange"); however, the Exchange delisted the Company's Common Shares on June 20, 2003, because the Company failed to pay its annual sustaining fees.

5. From its initial incorporation until March 2001, the Company carried on the business of acquiring, exploring, and developing mineral resource properties.

6. The Company has not carried on business since March 2001. It owns no material assets or liabilities other than indebtedness owed to its creditors.

7. The Cease Trade Order was issued as a result of the Company's failure to file its audited annual financial statements for the fiscal year ended March 31, 2002 (the "2002 Annual Financial Statements"). Subsequently, the Company also failed to file audited annual financial statements for the fiscal years ended March 31, 2003, 2004, 2005, 2006 and 2007 (together with the 2002 Annual Financial Statements, the "Annual Financial Statements"), interim financial statements for all interim periods since March 31, 2002 (the "Interim Financial Statements") and, in each case, related management's discussion and analysis ("MD&A") and certificates under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the "MI 52-109 Certificates").

8. The Annual Financial Statements, the Interim Financial Statements and related MD&A and the MI 52-109 Certificates were not filed with the Commission due to a lack of funds to pay for the preparation and audit of such statements.

9. On February 28, 2008, the Company filed on SEDAR the Annual Financial Statements for the fiscal years ended March 31, 2007, 2006 and 2005 and the Interim Financial Statements for the three month period ended June 30, 2007, the six month period ended September 30, 2007, and the nine month period ended December 31, 2007, together with related MD&A and MI 52-109 Certificates. Earlier, on January 17, 2008, the

Company filed on SEDAR a copy of its articles and by-laws.

10. The Company has not filed any outstanding disclosure for the fiscal years ended March 31, 2004, 2003 and 2002, because the Company believes that the length of time that has elapsed since the date of the Cease Trade Order makes the filing of the outstanding disclosure for these periods of limited use to investors since the Company was inactive at all times while it was cease traded.

11. Except for the Interim Financial Statements for the three month period ended June 30, 2007, the six month period ended September 30, 2007 and the nine month period ended December 31, 2007, the Company has not filed any outstanding Interim Financial Statements and related MD&A and MI 52-109 Certificates, because the Company believes that such Interim Financial Statements will not provide additional useful information concerning the present or future operations or financial circumstances of the Company since during the period covered by such Interim Financial Statements the Company was inactive.

12. The Company is up-to-date in its continuous disclosure filings with the Commission and has paid all outstanding activity, participation and late filing fees and is not in default of any requirement in applicable securities legislation in any jurisdiction, except for (a) the existence of the Cease Trade Order, (b) failure to include a "reporting package" (as defined in section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")) in respect of a change of auditor in the management information circular dated May 18, 2007 (the "June Information Circular") for a special shareholders meeting held on June 21, 2007 (the "June Meeting"), (c) failure to comply with the delivery of financial statements and MD&A requirements in sections 4.6 and 5.6 of NI 51-102, (d) the possible contravention of the Cease Trade Order described in paragraph 13 below, and (e) the matter referred to in paragraph 18(i) below. To remedy the defaults in (b) and (c) above, the Company will include (i) a "reporting package" for the change of auditor and (ii) copies of the Annual Financial Statements for the fiscal years ended March 31, 2007, 2006 and 2005 and the Interim Financial Statements for the three month period ended June 30, 2007, the six month period ended September 30, 2007 and the nine month period ended December 31, 2007, together with related MD&A, with the management information circular for the next annual and special shareholders meeting that will be sent to the registered holders and beneficial owners of its securities.

13. Furthermore, the Company entered into agreements with its creditors as of March 30, 2007 whereby debts of the Company would be settled by the issuance of 9,000,000 common shares (the "March 30 Debt Settlement Agreement"), agreements with its directors as of June 30, 2007 whereby director and consultants fees would be settled by the issuance of 300,000 common shares (the "June 30 Debt Settlement Agreement"), and a share exchange agreement dated October 30, 2007 with Am-Ves Resources Inc. for the Acquisition (defined below) and the Private Placement (defined below). Although these agreements contemplated the revocation of the Cease Trade Order before any securities of the Company were issued, the Company may have contravened the terms of the Cease Trade Order in committing to the issuance of it securities under these agreements.

14. On February 28, 2008, the Company issued and filed a news release and filed a material change report on SEDAR (the "February 2008 Material Change Report") disclosing the March 30 Debt Settlement Agreement, the June 30 Debt Settlement Agreement and the share exchange agreement for the Acquisition and the Private Placement. Also on that date, the Company filed a copy of the share exchange agreement for the Acquisition and the Private Placement on SEDAR as a material contract.

15. Other than the Common Shares, the Company has no securities, including debt securities, outstanding.

16. The Company held the June Meeting solely to elect directors and appoint auditors. The June Meeting was a special shareholders meeting and did not constitute an annual meeting under the OBCA.

17. The Company has not held annual shareholders meetings since the time it was cease traded and therefore has been in default of the annual meeting requirements under the OBCA. The Company has provided the Commission with an undertaking that it will hold an annual meeting within three months after the date on which the Cease Trade Order is revoked.

18. The June Information Circular complied with Form 51-102F5 *Information Circular* under NI 51-102, except that it failed: (i) to disclose that R. Brian Murray (a nominee for director) was cease traded for failing to file insider reports as an insider of another issuer, which information will be disclosed in the management information circular for the Meeting (defined below); and (ii) to include a "reporting package" for the change of auditor, which will be included in the management information circular for the Meeting (defined below).

19. The June Information Circular and the form of proxy for the June Meeting were mailed to the registered holders and beneficial owners of securities of the Company in accordance with applicable securities legislation and the OBCA.

20. Aside from the matters set out in paragraph 14 above, the Company has not had any "material changes" within the meaning of the Act since it was cease traded and is not in default of requirements to file material change reports under applicable securities legislation.

21. The Company's SEDAR profile and SEDI issuer profile supplement are up-to-date.

22. The Company is currently inactive and following the revocation of the Cease Trade Order, the Company intends to complete a series of transactions to reactivate itself (the "Reactivation Transactions").

23. The Reactivation Transactions include: (i) as contemplated by the June 30 Debt Settlement Agreement and the March 30 Debt Settlement Agreement, the settlement of the Company's debt of approximately $950,000 in consideration for the issuance of 9,300,000 pre-consolidated Common Shares and payment of $14,500 in cash (the "Debt Settlement"); (ii) the effective consolidation of all issued and outstanding Common Shares on a 10:1 basis, whereby every ten old Common Shares will be exchanged for one new post-consolidated Common Share (the "Share Consolidation"); (iii) the change of the Company's name to "Antioquia Gold Inc." (the "Name Change"); (iv) continuance of the Company under the *Business Corporations Act* (Alberta) (the "Continuance"); (v) the completion of the transactions contemplated by the share exchange agreement with Am-Ves Resources Inc. ("Am-Ves"), pursuant to which the Company would acquire (the "Acquisition") all of the issued and outstanding common shares of Am-Ves in exchange for the post-consolidated Common Shares of the Company; (vi) a private placement of up to 4,020,000 units (the "Units") of the Company (the "Private Placement") at $0.20 per Unit, with one Unit comprised of one post-consolidated Common Share and one half of a warrant (a "Warrant"), with one full Warrant entitling the holder to purchase one post-consolidated Common Share at $0.30 per post-consolidated Common Share for 18 months from closing of the Private Placement; (vii) the holding of an annual and special shareholders meeting (the "Meeting") to seek approval for, among other things, the Debt Settlement, the Share Consolidation, the Name Change, the Continuance and the Acquisition; and (viii) seeking an Exchange listing.

24. Am-Ves, a private company, was incorporated on January 19, 2006 pursuant to the *Business Corporations Act* (Alberta). Am-Ves carries on the business of identifying and acquiring mineral prospects. Am-Ves has an option to acquire the Guayabito project, a gold property in the Antioquia region of Colombia (the "Guayabito Property").

25. The Meeting will be conducted in accordance with the OBCA and applicable securities legislation.

26. In respect of the Meeting, the Company will (i) prepare and distribute to the registered holders and beneficial owners of its securities a management information circular in accordance with the requirements of Form 51-102F5 *Information Circular* under NI 51-102, which will set out details of the Acquisition and will contain prospectus-level disclosure in respect of the Company, Am-Ves and the resulting issuer in accordance with section 14.2 of Form 51-102F5, (ii) comply with filing and delivery requirements in the OBCA and applicable securities legislation with respect to the management information circular and the form of proxy for the Meeting and (iii) comply with the financial statement and MD&A delivery requirements in sections 4.6 and 5.6 of NI 51-102.

27. The Debt Settlement constitutes a “related party transaction” as defined in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as two of the Company’s major creditors who will be receiving Common Shares under the Debt Settlement are also directors of the Company. The Company is exempt under MI 61-101 from the requirements to obtain a formal valuation as the Common Shares are not listed on specified markets. At the Meeting, the Company will seek minority approval (as defined in MI 61-101) of the Debt Settlement. The February 2008 Material Change Report contained the information about the related party transaction required by section 5.2 of MI 61-101. The management information circular for the Meeting will contain the information required by section 5.3 of MI 61-101.

28. At the same time that the Company files the management information circular for the Meeting on SEDAR, the Company will file a compliant technical report under National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”) with respect to the Guayabito Property on SEDAR, together with all consents and certificates of qualified persons required by NI 43-101.

29. The Private Placement will be completed in accordance with applicable securities legislation.

30. Forthwith after the revocation of the Cease Trade Order, the Company will issue and file a news

release and file a material change report on SEDAR disclosing the revocation of the Cease Trade Order and outlining the Company's future plans.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order be and is hereby revoked.

DATED this 5th day of March, 2008.

"Michael Brown"
Assistant Manager, Corporate Finance Branch
Ontario Securities Commission

2.2.3 Al-tar Energy Corp. et al. - s. 127(5)

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

AND

IN THE MATTER OF
AL-TAR ENERGY CORP.,
ALBERTA ENERGY CORP.,
DRAGO GOLD CORP., DAVID C. CAMPBELL,
ABEL DA SILVA, ERIC F. O'BRIEN AND
JULIAN M. SYLVESTER

ORDER
(Section 127(5) of the *Securities Act*)

WHEREAS on February 14, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Staff of the Commission ("Staff") filed a Statement of Allegations with respect to this matter (the "Proceeding");

AND WHEREAS the Notice of Hearing sets out that the Hearing is to consider, *inter alia*, whether, in the opinion of the Commission, it is in the public interest, pursuant to s. 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to issue a temporary order that: (a) the respondents, Drago Gold Corp. ("Drago Gold"), David C. Campbell ("Campbell"), Abel Da Silva ("Da Silva") and their employees, agents and/or salespersons shall cease trading in the shares of Al-tar Energy Corp. ("Al-tar"), Alberta Energy Corp. ("Alberta Energy") and Drago Gold; and, (b) the respondents shall cease trading in any securities (the "Temporary Order");

AND WHEREAS Staff of the Commission ("Staff") have served all of the respondents with copies of the Notice of Hearing, Statement of Allegations and Staff's supporting materials as evidenced by the Affidavits of Service of Wayne Vanderlaan sworn on February 21, 2008 and March 17, 2008 and by the Affidavits of Service of Scott Boyle sworn on March 17 and 19, 2008, and filed with the Commission;

AND WHEREAS Drago Gold and Campbell did not appear to oppose Staff's request for the Temporary Order;

AND WHEREAS counsel for Da Silva advised the Commission that Da Silva did not oppose the issuance of the Temporary Order;

AND WHEREAS the Panel considered the evidence and submissions before it;

AND WHEREAS pursuant to subsection 127(5) of the Act the Commission is of the opinion that, in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

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

IT IS HEREBY ORDERED pursuant to subsections 127(1) and 127(5) that: (a) the respondents Drago Gold, Campbell, and Da Silva and their employees, agents and/or salespersons shall cease trading in the shares of Al-tar, Alberta Energy and Drago Gold until September 30, 2008; and (b) Drago Gold, Campbell, and Da Silva shall cease trading in any securities until September 30, 2008;

AND IT IS FURTHER ORDERED that the parties to the Proceeding schedule and complete a pre-hearing conference before June 30, 2008.

DATED at Toronto this 19th day of March, 2008

"James E.A. Turner"

"David L. Knight"

2.2.4 CFT Capital Inc. and McWatters Mining Inc. - s. 144

Headnote

Section 144 - application for partial revocation of cease trade order - issuer cease traded due to failure to file with the Commission and send to shareholders annual and interim financial statements - the Applicant submitted an offer to the issuer's trustee in bankruptcy in relation to the Proposed Transactions, which offer was accepted - Applicant applied for a partial revocation of the cease trade order to permit the Proposed Transactions with the intention of bringing the issuer's continuous disclosure up to date and applying for a full revocation of the cease trade order – Applicant will clearly advise the issuer's shareholders, in the circular, that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future and that the preferred shares will remain subject to the cease trade order and other applicable cease trade orders - partial revocation granted subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127, 144.
Companies Act, R.S.Q., c-38.
Securities Act, R.S.B.C. 1996, c. 418.
Securities Act, R.S.A. 2000, c. S-4.
Securities Act, C.C.S.M. c. S50.
Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36.
Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3.
Canada Business Corporations Act, R.S.C. 1985, c. C-44.
Business Corporations Act, R.S.B.C. 2002, c. 57.
Business Corporations Act, R.S.Y. 2002, c. 20.

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

AND

IN THE MATTER OF
CFT CAPITAL INC.
(THE "APPLICANT")
AND
MCWATTERS MINING INC.

ORDER
(Section 144)

WHEREAS the securities of McWatters Mining Inc. ("**McWatters**") are currently subject to i) a cease trade order dated July 29, 2004, made under paragraph 2 of Subsection 127(1) and Subsection 127(5) of the Act, as extended on August 10, 2004, and ii) a management cease trade order dated May 26, 2004, made under paragraph 2 of Subsection 127(1) and Subsection 127(5) of the Act, as extended on June 8, 2004 (collectively, the "**OSC Cease Trade Orders**") made by the Ontario Securities Commission (the "**OSC**") each directing that trading in the securities of McWatters cease unless revoked by a further order of revocation;

AND WHEREAS the OSC Cease Trade Orders were made as a result of the failure of McWatters to file its annual financial statements for the year ended December 31, 2003, as well as its interim financial statements for the quarter ended March 31, 2004;

AND WHEREAS the Applicant has applied (the "*Application*") for a partial revocation of the OSC Cease Trade Orders under Section 144 of the Act in connection with a reorganization of the capital of McWatters under the terms of an arrangement under Sections 49 and 123.107 of the *Companies Act*, R.S.Q. c-38 (the "*Companies Act*") and certain other related transactions;

AND WHEREAS Applicant has represented to the OSC that:

1. McWatters was incorporated under Part IA of the Companies Act on November 15, 1994, and was formerly engaged in the business of mining and gold production.

2. McWatters is a reporting issuer or its equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

3. McWatters is not a reporting issuer or its equivalent in any other jurisdiction in Canada.

4. The securities of McWatters are currently subject to the OSC Cease Trade Orders.

5. The OSC Cease Trade Orders were made as a result of the failure of McWatters to file its annual financial statements for the year ended December 31, 2003, as well as its interim financial statements for the quarter ended March 31, 2004. McWatters has not since that time prepared and filed any annual or interim financial statements.

6. The securities of McWatters are also currently subject to cease trade orders in British Columbia, Alberta, Manitoba and Québec (collectively with the OSC Cease Trade Orders, the "**Cease Trade Orders**"), as detailed below :

   (a) in British Columbia, a cease trade order dated September 22, 2004, under Section 164 of the *Securities Act*, R.S.B.C. 1996, c. 418;

   (b) in Alberta, a cease trade order dated November 19, 2004, under Section 198 of the *Securities Act*, R.S.A. 2000, c. S-4;

   (c) in Manitoba, a cease trade order dated October 8, 2004, under Section 148 of the *Securities Act*, C.C.S.M. c. S50; and

   (d) in Québec, cease trade orders respectively by virtue of the decision of the *Autorité des Marchés Financiers* ("**AMF**") number 2004-MC-2629 dated August 9, 2004 and the AMF decision number 2004-MC-1823 dated June 7, 2004.

7. Applications were also made with the securities regulatory authorities of British Columbia, Alberta, Manitoba and Québec for a partial revocation of the above mentioned cease trade orders in connection with the Proposed Transactions (as defined below). The proposed trades contemplated herein will occur in all jurisdictions where security holders of McWatters reside.

8. The authorized capital of McWatters consists of an unlimited number of common shares (the "**Common Shares**"), of which 560,652,194 Common Shares are currently outstanding.

9. McWatters also has outstanding senior gold-linked (unsecured) convertible debentures due January 1, 2012 ("**Gold-Linked Convertible Debentures**"), which were created and issued in connection with the plan of compromise and arrangement and reorganization of the indebtedness and liabilities and share capital of McWatters dated as of December 11, 2001 under the *Companies' Creditors Arrangement Act* (Canada) and the Companies Act, which was approved by the creditors and the shareholders of McWatters as of January 23, 2002 and ratified by the Court on January 28, 2002.

10. The Common Shares were formerly listed on The Toronto Stock Exchange (the "**TSX**") under the symbol "MWA" and the Gold-Linked Convertible Debentures were formerly listed on the TSX under the symbol "MWA.DB".

11. On or about January 15, 2004, McWatters filed with the Superior Court of Québec (the "**Court**") a notice of intention to file a proposal pursuant to Subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-2 (the "**BIA**") in file number 615-11-000777047. Raymond Chabot Inc. ("**Raymond Chabot**") was appointed as trustee. A proposal was submitted to the creditors of McWatters on or about June 22, 2004 and such proposal was accepted by the creditors of McWatters and subsequently approved by the Court on July 9, 2004.

12. According to the list of creditors of McWatters prepared by Raymond Chabot (the "**List of Creditors**"), (i) the aggregate of all amounts owed by McWatters to its creditors, as per the books and records of McWatters, is equal to $34,305,283.22, and (ii) the aggregate amount of all claims filed with Raymond Chabot as trustee by creditors of McWatters (the "**Creditors**") is equal to $30,578,809.91.

13. According to the confirmation received from Raymond Chabot as to the assets of McWatters (the "**Confirmation of Assets**"), McWatters does not have any assets of substantial value. The remaining value, if any, in McWatters, lies in its tax attributes which, based on the information made available to CFT Capital, consist of approximately $140,000,000 of unused non-capital losses, capital losses, cumulative Canadian exploration expenses, cumulative Canadian development expenses and other income tax attributes (the "**Income Tax Attributes**"). However, the Income Tax Attributes are non transferable, and in the case of the largest component thereof, the non-capital losses, may only be used by McWatters within prescribed time periods and would only have value to the extent that McWatters has income which, given the debts and potential environmental liabilities of McWatters, is not likely to arise except through the Proposed Transactions.

14. Financial Solutions Inc. ("FSI") was incorporated under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, on December 1, 1998, and is a privately held corporation specializing in structuring financial transactions and consulting. Robert Friesen is the sole director of FSI and 822792 Alberta Ltd. ("**822792**") is the sole shareholder of FSI.

15. The Applicant was incorporated under the *Business Corporations Act*, R.S.B.C. 2002, c. 57, on September 28, 2006. The Applicant is a privately held corporation which was incorporated for the purpose of effecting the transactions described herein. Robert Friesen is the sole director of the Applicant. 822792 is the principal shareholder of the Applicant and controls the Applicant.

16. 822792 was incorporated under the laws of Alberta on March 17, 1999. Robert Friesen is the sole director of 822792 and all outstanding shares in the share capital of 822792 are owned directly and/or indirectly by Robert Friesen and members of his family.

17. On November 27, 2006, Fasken Martineau Dumoulin LLP, on behalf of the Applicant, submitted to Raymond Chabot, in its capacity as trustee to the proposal of McWatters, an offer in relation to the Proposed Transactions, which offer was accepted by Raymond Chabot on December 1, 2006, and by Investissement Québec on November 30, 2006.

18. International Royalty Corporation ("**IRC**") was incorporated under the *Business Corporations Act*, R.S.Y. 2002, c. 20, on May 7, 2003 and was continued under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, on November 12, 2004. The common shares of IRC are listed on the TSX under the symbol "IRC" and, since October 18, 2006, on The American Stock Exchange under the symbol "ROY". IRC was incorporated for the purpose of acquiring and creating natural resources royalties with a specific emphasis on mineral royalties. IRC is a reporting issuer or its equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador and a foreign private issuer under applicable U.S. securities legislation.

19. IRC and FSI have agreed to advance to the Applicant, by way of loans and subject to certain conditions, respectively 80% and 20% of each of (i) the amount of $1,000,000 required to be paid by the Applicant to Raymond Chabot, for distribution to the Creditors, pursuant to the CFT Proposal, as contemplated in paragraph 23(a) below, (ii) the amount of $200,000 required by the Applicant in order to acquire New Common Shares as contemplated in paragraph 23(b)(v) below, (iii) the amount of the reasonable costs and expenses to be incurred by the Applicant in connection with its due diligence review of the affairs of McWatters, and (iv) the amount of certain other reasonable costs and expenses that may be incurred by CFT Capital in connection with the Arrangement and the CFT Proposal. A reasonable portion of the amount of $200,000 mentioned in clause (ii) above will be set aside by McWatters for the purpose of remedying McWatters' default under securities legislation and seeking a full revocation of the Cease Trade Orders, as contemplated in paragraph 32 below.

20. IRC and the Applicant have agreed that the Applicant will only have the obligation to repay the loans made to the Applicant by IRC to the extent that McWatters acquires a business and derives sufficient cash flow from such business, in which case the Applicant shall for each year following such acquisition have the obligation to use one-third of the cash flow that the Applicant will have derived from its interest in McWatters during such year to repay the loans made to the Applicant by IRC, until such loans are paid in full.

21. On March 18, 2008, Raymond Chabot was appointed by the Court as interim receiver of McWatters pursuant to Section 47.1 of the BIA, with all powers necessary in order to complete the Proposed Transactions described in paragraph 23.

22. Raymond Chabot, in its capacity as interim receiver of McWatters, has obtained an interim order of the Court dated March 18, 2008 (the "**Interim Order**"), which contains declarations and directions with respect to the Arrangement described in paragraph 23(b) and with respect to the calling and the holding of a special meeting (the "**Special Meeting**") of the shareholders of McWatters to be held in accordance with the Interim Order to consider and, if deemed advisable, approve the Arrangement.

23. The proposed transactions (the "**Proposed Transactions**"), as presently intended, are the following:

    (a) Raymond Chabot, in its capacity as interim receiver under the BIA, will submit to the Creditors of McWatters an amended proposal (the "**CFT Proposal**") whereby the Applicant will pay to Raymond Chabot, for distribution to the Creditors, an aggregate amount of $1,000,000. From the aforementioned aggregate amount of $1,000,000, an amount of $500,000 is intended to be paid to Investissement Québec and the remaining amount of $500,000 is intended to be paid to the Creditors of McWattters other than Investissement Québec. In consideration thereof, the unsecured Creditors (excluding specifically Investissement Québec) will absolutely and irrevocably assign to the Applicant all of the claims filed by them with Raymond Chabot as trustee to the proposal of McWatters (such claims excluding specifically any and all claims by Investissement Québec) (the "**Unsecured Creditors' Claims**"), including their claims in respect of the Gold-Linked

Convertible Debentures currently outstanding (the "**Debt Trades**"). The CFT Proposal will be subject to and conditional upon certain conditions precedent, including the following:

(i) the approval of the CFT Proposal by the Creditors and, subsequently, by the Court; and

(ii) the completion of the Arrangement pursuant to Sections 49 and 123.107 of the Companies Act, as further detailed herein, on terms and conditions and within delays acceptable to the Applicant;

(b) At the Special Meeting, which will be called and held in accordance with the Interim Order, the shareholders of McWatters will be asked to consider and, if deemed advisable, approve an arrangement (the "**Arrangement**") under Sections 49 and 123.107 and following of the Companies Act whereby, among other things :

(i) A new class of preferred shares of the share capital of McWatters will be created (the "**Preferred Shares**"). The following rights, privileges, conditions and restrictions will be attached to such Preferred Shares as a class:

A. preferential cumulative dividend of $200,000 per annum (in the aggregate) for each of the first, second and third year following the effectiveness of the Arrangement;

B. preferential cumulative dividend of $100,000 per annum (in the aggregate) for each of the fourth and fifth year following the effectiveness of the Arrangement;

C. at the expiration of the fifth year following the effectiveness of the Arrangement, the Preferred Shares will become redeemable at the option of the holders thereof for a redemption amount of $200,000 (in the aggregate), which redemption amount is intended to be equal to the stated capital and paid-up capital of the Preferred Shares; and

D. the necessary reduction of the stated capital of McWatters will be effected to achieve the stated capital and paid-up capital referred to in 23(b)(i)C;

(ii) All outstanding Common Shares will be exchanged, on a one-for-one basis, for Preferred Shares of McWatters (the "**Common Shares Exchange**");

(iii) All outstanding options and other rights to acquire Common Shares will be extinguished;

(iv) A new class of common shares of McWatters will be created (the "**New Common Shares**"); and

(v) The Applicant will subscribe for a number of New Common Shares representing 20% of the voting rights attached to the outstanding shares of the share capital of McWatters, for a subscription price of $200,000 in the aggregate (the "**Subscription Trade**"). The proceeds from such subscription, in the amount of $200,000, are intended to be used to cover the legal and other costs and expenses to be incurred by McWatters in connection with its potential acquisition of a business as contemplated in paragraph 29 below and a reasonable portion of such proceeds is intended to be set aside by McWatters for the purpose of remedying McWatters default under securities legislation and seeking full revocation of the Cease Trade Orders, as contemplated in paragraph 32 below.

24. As part of the Arrangement, Robert Friesen, C.A., Douglas Proctor, C.A. and Ray W. Jenner, Chief Financial Officer and Secretary of IRC will be appointed as directors of McWatters.

25. An information circular (the "**Circular**") describing the Arrangement and soliciting proxies will be prepared and sent to the shareholders of McWatters by or on behalf of the Applicant. Such Circular will contain all relevant information concerning the Arrangement and Proposed Transactions (including information as to the assets and liabilities of McWatters as confirmed by Raymond Chabot) and will be prepared in compliance with applicable securities legislation. Copies of the applicable Cease Trade Orders and copies of all partial revocation orders that may have been issued at the time of mailing of the Circular will be included in the Circular. The Applicant will not obtain and provide to the securities regulatory authorities signed and dated acknowledgements from all participants in the proposed trades, which clearly state that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future. Instead, the Applicant will clearly advise the shareholders of McWatters, in the Circular, that the issuance of a partial revocation order does not guarantee the issuance of a full revocation order in the future and that the Preferred Shares will remain subject to the OSC Cease Trade Orders and other applicable Cease Trade Orders.

26. As the List of Creditors and the Confirmation of Assets show that the aggregate amount of existing liabilities of McWatters by far exceeds the value of its existing assets, shareholders value is presently non-existent for shareholders

of McWatters and, to the knowledge of the Applicant, no value can be expected to be realized by such shareholders in the future, except pursuant to the terms of the Preferred Shares if the Arrangement and other Proposed Transactions are completed and if McWatters is successful in acquiring an income producing business. The Proposed Transactions would provide the current shareholders of McWatters the opportunity of receiving value for their Common Shares, up to $1,000,000 in the aggregate.

27. If the Arrangement is approved by the shareholders of McWatters at the Special Meeting, it is expected that an application will be made to the Court by Raymond Chabot, in its capacity as interim receiver, for a final order (the "**Final Order**") approving the Arrangement.

28. Following completion of the Arrangement:

    (a) the Applicant will hold all outstanding New Common Shares of McWatters, representing collectively approximately 20% of the voting rights attached to the outstanding shares of the share capital of McWatters; and

    (b) the current shareholders of McWatters will hold all outstanding Preferred Shares of McWatters, representing collectively approximately 80% of the voting rights attached to the outstanding shares of the share capital of McWatters.

29. If the Arrangement and other Proposed Transactions are completed, it is the Applicant's intention to try to cause McWatters to acquire a business in exchange for New Common Shares and/or indebtedness of McWatters.

30. Even if the Arrangement and other Proposed Transactions are completed, there can be no assurance that McWatters will complete the acquisition of a business. Further, there can be no assurance that any business acquired by McWatters will generate sufficient cash flow to permit distributions of dividends in respect of the Preferred Shares and payment of the redemption amount thereof to holders of Preferred Shares. Accordingly, distributions of dividends in respect of the Preferred Shares and payment of the redemption amount thereof to holders of Preferred Shares, in accordance with the terms of the Preferred Shares, will be subject to and conditional upon the successful acquisition of a business by McWatters and upon such business generating sufficient cash flow to permit distributions of dividends in respect of the Preferred Shares and payment of the redemption amount thereof to holders of Preferred Shares.

31. The issuance of New Common Shares and/or indebtedness of McWatters pursuant to the acquisition of a business by McWatters as hereinabove contemplated would also require a partial revocation or a full revocation of the Cease Trade Orders. Unless a full revocation of the Cease Trade Orders is obtained, the Applicant intends to apply to the OSC and to the securities regulatory authorities of British Columbia, Alberta, Manitoba and Québec for decisions partially revoking the Cease Trade Orders in connection with the aforementioned issuances and acquisition of New Common Shares and/or indebtedness of McWatters once the specific details of any such transaction are known.

32. The Applicant has undertaken, subject to the successful completion of the Arrangement, to use its best efforts to cause McWatters (i) to file, following the successful completion of the Arrangement, applications to seek full revocation of the Cease Trade Orders, (ii) to remedy its default under securities legislation by filing audited annual financial statements and related annual MD&As for the three financial years preceding the financial year during which the applications to seek full revocation of the Cease Trade Orders are filed, and (iii) to set aside a reasonable portion of the proceeds of the Proposed Transactions for the purpose of remedying such McWatters' default under securities legislation.

33. The Applicant will not be seeking a market for trading in McWatters' securities, as the market value of McWatters' public float will not exceed $1,000,000 and at the expiration of the fifth year following the effectiveness of the Arrangement the public shareholders of McWatters will be entitled to redeem their Preferred Shares. The redemption of the Preferred Shares will constitute trading (the "**Redemption Trades**"), and a partial or full revocation of the Cease Trade Orders will be required to allow the Redemption Trades.

34. The Applicant understands that the OSC Cease Trade Orders will remain in effect following the completion of the Proposed Transactions and that all securities of McWatters will remain subject to the OSC Cease Trade Orders, except as otherwise provided herein.

AND WHEREAS considering the Application and the recommendation of staff to the Director;

AND WHEREAS the Director is satisfied that the following order is not prejudicial to the public interest;

IT IS ORDERED, pursuant to Section 144 of the Act, that the OSC Cease Trade Orders are hereby partially revoked solely to permit the Proposed Transactions described in paragraph 23 above, and all acts in furtherance of the aforementioned

trades (including the sending of the Circular and related documents to securityholders of McWatters and the completion by the transfer agent of McWatters of all procedures necessary in order to complete the Proposed Transactions).

DATED this 26th day of March, 2008

"Michael Brown"
Assistant Manager, Corporate Finance

2.2.5 XI Biofuels Inc. et al. - s. 127(7)

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

AND

IN THE MATTER OF
XI BIOFUELS INC., BIOMAXX SYSTEMS INC.,
RONALD DAVID CROWE AND VERNON P. SMITH

AND

IN THE MATTER OF
XIIVA HOLDINGS INC. CARRYING ON BUSINESS
AS XIIVA HOLDINGS INC., XI ENERGY COMPANY,
XI ENERGY AND XI BIOFUELS

ORDER
(Subsection 127(7) of the *Securities Act*)

WHEREAS on November 22, 2007, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") that all trading by XI Biofuels Inc. ("XI") and Biomaxx Systems Inc. ("Biomaxx") shall cease, that XI, Biomaxx, Ronald David Crowe ("Crowe") and Vernon P. Smith ("Smith") (the "XI Respondents") cease trading in all securities and that the exemptions contained in Ontario securities law do not apply to these Respondents (the "XI Temporary Order");

AND WHEREAS the Commission further ordered that pursuant to subsection 127(6) of the Act, the XI Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on November 22, 2007, the Commission issued a Notice of Hearing to be held on December 7, 2007 at 10:00 a.m., to consider, among other things, the extension of the XI Temporary Order (the "XI Hearing") ;

AND WHEREAS on December 7, 2007, upon being advised that the XI Respondents agreed to extend the XI Temporary Order without prejudice to their ability to argue the merits of the grounds for granting the XI Temporary Order, the Commission ordered that the XI Temporary Order be extended and that the XI Hearing be adjourned to March 25, 2008;

AND WHEREAS on December 14, 2007, the Commission issued a Temporary Order (the "Xiiva Temporary Order") pursuant to subsections 127(1) and (5) of the Act that all trading in securities of Xiiva Holdings Inc., incorrectly described at paragraph 1 of the Xiiva Temporary Order as XI Holdings Inc., shall cease and that the exemptions contained in Ontario securities law do not apply to it;

AND WHEREAS the Commission further ordered that pursuant to subsection 127(6) of the Act, the Xiiva Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on December 14, 2007, the Commission issued a Notice of Hearing to be held on December 19, 2007 at 2:00 p.m., to consider, among other things, the extension of the Xiiva Temporary Order (the "Xiiva Hearing");

AND WHEREAS on December 19, 2007, upon being advised that Xiiva agreed to extend the Xiiva Temporary Order without prejudice to its ability to argue the merits of the grounds for granting the Xiiva Temporary Order, the Commission ordered that the Xiiva Temporary Order be extended and that the Xiiva Hearing be adjourned to March 25, 2008 and that paragraph 1 of the Xiiva Temporary Order be amended to replace the reference to "XI Holdings Inc." with "Xiiva Holdings Inc.";

AND WHEREAS the XI Respondents and the Xiiva Respondents (collectively, the "Respondents") served a notice of motion returnable on March 25, 2008 in respect of the XI Temporary Order and the Xiiva Temporary Order (collectively, the "Temporary Orders") and other matters including a constitutional question (the "Respondents' Motion");

AND WHEREAS on March 20, 2008, the Respondents served a Notice of Constitutional Question and an Amended Notice of Constitutional Question;

AND WHEREAS the 15-day notice period for the Notice of Constitutional Question under section 109 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, has not been satisfied;

AND WHEREAS Staff of the Commission ("Staff") and the Respondents agree that the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders shall be adjourned to May 5, 2008, at 10:00 a.m., or such earlier date as fixed by the Office of the Secretary, and that the Temporary Orders shall be extended to May 6, 2008;

AND WHEREAS Staff has agreed to produce to the Respondents transcripts of the cross-examinations of Crowe and Smith on their affidavits;

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

IT IS ORDERED that the Temporary Orders are extended to May 6, 2008;

IT IS FURTHER ORDERED that the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders and the hearing of the Respondents' Motion are adjourned to May 5, 2008 at 10:00 a.m. or such earlier date as the Secretary's Office may determine.

Dated at Toronto this 25th day of March, 2008.

"Wendell S. Wigle"

"David L. Knight"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Citrine Holdings Limited	13 Mar 08	25 Mar 08	25 Mar 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

**** NO UPDATE FOR THIS WEEK MARCH 26, 2008**

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		
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		

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Chapter 5

Rules and Policies

5.1.1 Amendment Instrument for NI 14-101 Definitions

AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 14-101
DEFINITIONS

Part 1: Definitions and Interpretations

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.***

5.1.2 Notice of Amendments to NI 55-102 System for Electronic Disclosure by Insiders (SEDI), Form 55-102F1, Form 55-102F2, Form 55-102F3 and Form 55-102F6

NOTICE OF AMENDMENTS TO
NATIONAL INSTRUMENT 55-102 *SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)*,
FORM 55-102F1, FORM 55-102F2, FORM 55-102F3 AND FORM 55-102F6

The Canadian Securities Administrators (CSA or we) are adopting amendments to:

- National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* (NI 55-102) and
- Forms 55-102F1 *Insider Profile,* 55-102F2 *Insider Report*, 55-102F3 *Issuer Profile Supplement* and 55-102F6 *Insider Report*.

The text of the amendments follows and can be found on the websites of CSA members, including:

- www.bcsc.bc.ca
- www.albertasecurities.com
- www.sfsc.gov.sk.ca
- www.msc.gov.mb.ca
- www.osc.gov.on.ca
- www.lautorite.qc.ca
- www.nbsc-cvmnb.ca

Introduction

The amendments to NI 55-102 and the forms (together, the SEDI instruments), are an initiative of all members of the CSA.

We published the proposed amendments to the SEDI instruments for comment on December 7, 2007. The comment period expired on February 5, 2008. We received no comments and are adopting the amendments as proposed.

Members of the CSA in the following jurisdictions have made, or expect to make, the amendments to the SEDI instruments as

- rules in each of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia, New Brunswick and Newfoundland and Labrador,
- a Commission regulation in Saskatchewan,
- a regulation in Québec,
- policies in each of Prince Edward Island, the Northwest Territories and Yukon; and
- a code in Nunavut.

In British Columbia and Ontario, the implementation of the amendments to the SEDI instruments is subject to ministerial approval.

In Ontario, amendments to the SEDI instruments required to be delivered to the Minister of Finance were delivered on March 25, 2008.

In Québec, NI 55-102 is a regulation made under section 331.1 of the *Securities Act* (Québec) and the amendments to the SEDI instruments must be approved, with or without amendment, by the Minister of Finance. The amendments to the SEDI instruments will come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date specified in the amending regulation.

Provided all necessary ministerial approvals are obtained, the amendments to the SEDI instruments will come into force on June 13, 2008.

Background

SEDI was launched on May 5, 2003. The CSA implemented SEDI out of a desire to make the filing of insider information easier and faster, as well as to make information from insider reports accessible to the public in real time and in an easily readable format. While SEDI has fulfilled its purpose, the CSA has received numerous complaints and suggestions from direct users of the system about the quality of its user interface.

SEDI Release 1.7.0 was implemented on October 6, 2007. This release addresses certain issues raised in the SEDI user opinion survey we conducted in 2005 and 2006. The goal of SEDI Release 1.7.0 is to improve the SEDI filing system by modifying some of the processes that filers identified as the cause of the greatest difficulties. The substance and purpose of the proposed amendments to the SEDI instruments are to complement the changes made in SEDI Release 1.7.0.

The changes to the SEDI system streamline the insider report filing process by reducing the number of screens and enhancing user navigation, eliminating the use of the insider access key for insiders who are self filers and improving the usability of the "view insider profile" screen by enhancing its visual impact and adding optional features.

Summary of changes to the SEDI instruments

Section 5.2 of NI 55-102 is amended to reflect the fact that self-filing insiders who log on to SEDI using their SEDI user ID and password will no longer have to also input their access key, except when first linking to the insider profile created by an agent. Agents who file on behalf of an insider will still be required to input the insider's access key.

Item 7 of Form 55-102F1 is amended to reflect the requirements under the laws of New Brunswick on the choice of language of correspondence.

Item 3 of Form 55-102F2 is amended to reflect the fact that when necessary, a filer will need to click on the left-hand tool bar item labeled "Amend insider profile" on the screen entitled "Amend insider profile" whereas the instructions in current Form 55-102F2 are to click on "Amend".

Item 4 of Form 55-102F2 is amended to provide filers with the option of viewing an issuer event report by selecting the "View issuer event reports" feature on the screen entitled "File insider report (Form 55-102F2) – Select issuer". The issuer event report will no longer be automatically displayed for review by the filer.

Forms 55-102F1, 55-102F2, 55-102F3 and 55-102F6 have also been amended to add references to New Brunswick and the New Brunswick Securities Commission and to update both the name of the securities regulator in Québec and the address of the Manitoba Securities Commission.

The amendments to NI 55-102 are set out in Appendix A. The amendments to Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are set out in Appendix B.

Alternatives considered

We have not considered other alternatives.

Unpublished materials

In proposing amendments to NI 55-102, Form 55-102F1, Form 55-102F2, Form 55-102F3 and Form 55-102F6, we have not relied on any significant unpublished study, report, or other written materials.

Authority for Amendments – Ontario

Appendix C sets out the provisions of the *Securities Act* (Ontario) (the Act) which provide the Ontario Securities Commission with authority to make the amendments described in this Notice as well as a statement of anticipated costs and benefits associated with the proposed amendments.

Questions

Please refer your questions to any of the people listed below:

Alison Dempsey
Senior Legal Counsel
Legal Services, Corporate Finance
British Columbia Securities Commission
(604) 899-6638
(800) 373-6393 (toll free in B.C. and Alberta)
adempsey@bcsc.bc.ca

Agnes Lau
Associate Director, Corporate Finance
Alberta Securities Commission
(403) 297-4219
agnes.lau @seccom.ab.ca

Michael Balter
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-3739
mbalter@osc.gov.on.ca

Lucie J. Roy
Conseillère en réglementation
Service de la réglementation
Surintendance aux marchés des valeurs
Autorité des marchés financiers
(514) 395-0337 poste 4364
lucie.roy@lautorite.qc.ca

France Kingsbury
Avocate, Affaires juridiques
Autorité des marchés financiers
(514) 395-0337 poste 2543
france.kingsbury@lautorite.qc.ca

March 28, 2008

APPENDIX A

AMENDMENTS TO
NATIONAL INSTRUMENT 55-102 *SYSTEM FOR ELECTRONIC DISCLOSURE BY INSIDERS (SEDI)*

1.1 National Instrument 55-102 *System for Electronic Disclosure by Insiders (SEDI)* is amended by this Instrument.

1.2 Section 5.2 is repealed and substituted with the following,

5.2 Authentication and Access Key - When information is filed in SEDI format, the identity of the SEDI filer or the authority of the filing agent shall be authenticated by

(a) the use of the SEDI filer's username and password by the SEDI filer;

(b) the use of the SEDI filer's access key by the filing agent; or

(c) the use of the SEDI filer's username and password and SEDI filer's access key by the SEDI filer when first linking to the insider profile created by a filing agent.

1.3 This amendment comes into force June 13, 2008.

APPENDIX B

AMENDMENTS TO
FORM 55-102F1 *INSIDER PROFILE*, FORM 55-102F2 *INSIDER REPORT*,
FORM 55-102F3 *ISSUER PROFILE SUPPLEMENT* AND FORM 55-102F6 *INSIDER REPORT*

1. Form 55-102F1 *Insider Profile*, Form 55-102F2 *Insider Report*, Form 55-102F3 *Issuer Profile Supplement* and Form 55-102F6 *Insider Report* are amended by this Instrument.

2. Form 55-102F1 is amended by,

a. in the second paragraph of item 7, striking out ", New Brunswick**";**

b. adding the following as a third paragraph to item 7:

If the insider is resident in New Brunswick, the insider may choose to receive any correspondence from the New Brunswick securities regulatory authority in French or English.; and

c. in item 14 under *Notice – Collection and Use of Personal Information*, inserting the words "New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300 Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form**.

3. Form 55-102F2 is amended by

a. repealing item 3 and substituting it with the following:

3. Review issuer information

Review the information contained in the insider profile with respect to the selected reporting issuer to ensure that the information is correct. To do this, click on "Insider profile" in the top bar and the "Introduction to insider profile activities (Form 55-102F1)" screen will appear.

You must review the information in the insider profile with respect to the selected reporting issuer and, if the information is not correct, you must amend it by filing an amended insider profile. To do this, click on "Amend insider profile" in the bar on the left side and make the necessary corrections.

b. repealing item 4 and substituting it with the following:

4. Review new issuer event reports

If the reporting issuer has filed an issuer event report that has not previously been viewed or that has been previously flagged for further viewing, you must review the issuer event report.

To do this you must do the following: i) After you have selected an issuer and before selecting the "File insider report" feature, on the screen entitled "File insider report (Form 55-102F2) – Select issuer", click on the feature entitled "View issuer event reports" and the "Listing of issuer event reports" screen appears. ii) Next, click on the radio button for the report you wish to see and then select "View Report" and the "View issuer report information" screen appears with the text of the issuer event report.

If the insider's holdings of securities of the reporting issuer have been affected by an issuer event, the change in holdings must be reported.

c. in item 25 under *Notice – Collection and Use of Personal Information*, inserting the words "New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300 Saint John, NB E2L 2J2

Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form.**

4. **Form 55-102F3 is amended by, in item 9 under *Notice – Collection and Use of Personal Information*, inserting the words "**New Brunswick,**" immediately after "**Quebec**", striking out the words "**Commission des valeurs mobilières du Québec**" and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300 Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form**.

5. **Form 55-102F6 is amended by, under *Notice – Collection and Use of Personal Information*, inserting the words "**New Brunswick,**" immediately after "**Quebec**", under "Box 4", adding "** ☐ New Brunswick**", under "INSTRUCTIONS", striking out the word "**and**" in the first line and inserting the words "**and New Brunswick**" after "**Québec**", striking out the words "**New Brunswick,**" in the second paragraph, striking out the words "**Commission des valeurs mobilières du Québec**" in the address section and substituting them with "**Autorité des marchés financiers**", changing the address of the Manitoba Securities Commission to "**500-400 St. Mary Avenue, Winnipeg, Manitoba, R3C 4K5**" and inserting "**New Brunswick Securities Commission, 85 Charlotte Street, Suite 300 Saint John, NB E2L 2J2 Attention: Corporate Finance Officer Telephone: (506) 658-3060 or (866) 933-2222 (in New Brunswick)**" at the end of the form**.

6. **This amendment comes into force June 13, 2008.**

APPENDIX C

ADDITIONAL INFORMATION REQUIRED IN ONTARIO

Anticipated costs and benefits

The changes to SEDI in Release 1.7.0 are expected to benefit filers by streamlining the screen flow. We anticipate that Release 1.7.0 will result in fewer filing errors and an improved insider report filing process, resulting in reduced costs to filers. We also anticipate that the costs to the CSA associated with providing support to filers will be reduced.

Authority for Amendments - Ontario

The following provisions of the *Securities Act* (Ontario) (the Act) provide the Ontario Securities Commission (the OSC) with authority to adopt the amendments.

- Paragraph 143(1)(30) authorizes the OSC to make rules varying or providing for exemptions from any requirement of Part XXI of the Act which deals with, *inter alia*, insider trading.

- Paragraph 143(1)(44) authorizes the OSC to make rules permitting or requiring the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information required under or governed by the Act.

- Paragraph 143(1)(45) authorizes the OSC to make rules regarding the requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.

- Paragraph 143(1)(46) authorizes the OSC to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system.

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Chapter 6

Request for Comments

6.1.1 CSA Request for Comment - Proposed NP 12-203 Cease Trade Orders for Continuous Disclosure Defaults

REQUEST FOR COMMENT
PROPOSED NATIONAL POLICY 12-203
CEASE TRADE ORDERS
FOR CONTINUOUS DISCLOSURE DEFAULTS

Introduction

We, the Canadian Securities Administrators (CSA regulators or we), are publishing for comment proposed National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* (the Policy). The Policy provides guidance to reporting issuers, investors and market participants as to how the CSA will generally respond to certain types of continuous disclosure defaults.

Substance and Purpose

The Policy

- modernizes, harmonizes and streamlines existing CSA practices relating to cease trade orders (CTOs) including general CTOs and management cease trade orders (MCTOs);
- provides guidance for issuers as to the circumstances in which the regulators will issue a general CTO or an MCTO;
- explains factors CSA Regulators will consider when evaluating an application for an MCTO; and
- describes what other actions issuers need to undertake if we issue an MCTO.

The Policy will replace:

- Ontario Securities Commission Policy 57-603 – *Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements*;
- CSA Staff Notice 57-301 – *Failing to File Financial Statements on Time – Management Cease Trade Orders*; and
- CSA Staff Notice 57-303 – *Frequently Asked Questions Regarding Management Cease Trade Orders Issued as a Consequence of a Failure to File Financial Statements*.

Summary of the Policy

The Policy provides guidance as to how the CSA regulators will ordinarily respond to a specified default (as defined in part 2 of the Policy) by a reporting issuer. This response will be the issuer's principal regulator issuing either a general CTO or an MCTO.

The Policy describes the criteria the CSA regulators will apply when assessing whether to issue a general CTO or an MCTO and outlines what an issuer needs to include in its application for an MCTO. The Policy also describes what information an issuer must file during the period of an MCTO to support informed trading.

The Policy reminds issuers of their responsibility to monitor trading by management and other insiders during the period of default and reminds insiders of their trading prohibitions under securities legislation. Finally, the Policy discusses the effect of a CTO issued by a CSA regulator in one jurisdiction on trading in another jurisdiction.

Unpublished materials

In developing the Policy, we have not relied on any significant unpublished study, report, decision or other written materials.

Request for Comments

We welcome your comments on the proposed Policy.

Please submit your comments in writing on or before May 27, 2008. If you are not sending your comments by email, a diskette containing the submissions (in Windows format, Word) should also be forwarded.

Address your submissions to the CSA member commissions, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission

Deliver your comments only to the two addresses that follow. Your comments will be forwarded to the other CSA member jurisdictions.

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8
Fax: 416 593 2318
E-mail: jstevenson@osc.gov.on.ca

Anne-Marie Beaudoin
Secrétaire de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Fax : 514 864 6381
E-mail: consultation-en-cours@lautorite.qc.ca

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period.

Questions

Please refer your questions to any of:

Ontario Securities Commission

Kelly Gorman
Manager, Corporate Finance
416 593 8251
kgorman@osc.gov.on.ca

Paul Hayward
Senior Legal Counsel, Corporate Finance
416 593 3657
phayward@osc.gov.on.ca

Sonny Randhawa
Senior Accountant, Corporate Finance
416 593 2380
srandhawa@osc.gov.on.ca

British Columbia Securities Commission

Andrew Richardson
Deputy Director, Corporate Finance
604 899 6730 (direct)
800 373 6393 (toll-free in BC and Alberta)
arichardson@bcsc.bc.ca

Allan Lim
Manager, Corporate Finance
604 899 6780 (direct)
800 373 6393 (toll-free in BC and Alberta)
alim@bcsc.bc.ca

Sheryl Thomson
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800 373 6393 (toll-free in BC and Alberta)
sthomson@bcsc.bc.ca

Scott Pickard
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NATIONAL POLICY 12-203
CEASE TRADE ORDERS
FOR CONTINUOUS DISCLOSURE DEFAULTS

Part 1 – Introduction

1.1 What is the purpose of the policy?

This policy provides guidance to issuers, investors and other market participants as to how the Canadian Securities Administrators (CSA or we) will generally respond to certain types of serious continuous disclosure defaults (referred to as specified defaults in this policy) by a reporting issuer.

The policy provides guidance on the following questions:

1. When will a CSA securities regulatory authority or regulator (a CSA regulator) respond to a specified default by issuing a cease trade order (CTO)? What do we mean by the term "CTO"? Why do we issue CTOs?

2. When will a CSA regulator respond to a specified default by issuing a management cease trade order (MCTO)? What do we mean by the term "MCTO"? Why do we issue MCTOs?

3. If a CSA regulator issues an MCTO, what other actions will we ordinarily take in these circumstances? What do we expect from defaulting reporting issuers in these circumstances?

The guidance in this policy represents general guidance only. Each CSA regulator will decide how to respond to a specified default, including whether to issue a CTO (and if so, whether to issue a general CTO or an MCTO), on a case-by-case basis after considering all relevant facts and circumstances.

1.2 What is the scope of the policy?

(a) Application

This policy describes how the CSA regulators will ordinarily respond to a specified default by a reporting issuer. The term "specified default" is defined in part 2 of this policy and is based on the harmonized list of deficiencies developed by the CSA and described in CSA Notice 51-322 *Reporting Issuer Defaults* (CSA Notice 51-322). This notice describes the list of deficiencies that will generally result in a reporting issuer being noted in default of the securities laws of a particular jurisdiction.

The definition of "specified default" does not include certain defaults described in CSA Notice 51-322, such as a failure to file a material change report, or a failure to file technical disclosure or other reports required by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) or National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101).

We have omitted these items from the definition because these filings will generally be non-periodic in nature, and in some cases it may be unclear whether the issuer has triggered a filing requirement. However, a CSA regulator may apply this policy if a reporting issuer is in default of a continuous disclosure requirement that is not included in the definition of specified default.

Similarly, a CSA regulator may apply this policy if a reporting issuer has made a required filing but the required filing is deficient in terms of content (a content deficiency). Examples of content deficiencies are set out in section 2 of CSA Notice 51-322.

(b) Mutual reliance principles

In deciding how to respond to a specified default, the CSA regulators will generally follow principles of mutual reliance. The issuer's principal regulator (PR) will normally be the one to decide whether to issue a CTO. The determination as to which regulator will act as PR will be based upon the principles set out in part 3 of National Policy 11-203 *Process for exemptive relief applications in multiple jurisdictions* (NP 11-203). This means that the PR will usually be the regulator in the jurisdiction where the reporting issuer's head office is located.

An issuer that wishes to apply for an MCTO under this policy must apply in each jurisdiction in which it is a reporting issuer. The issuer's PR will determine whether to issue a general CTO or an MCTO and, in the case of the latter, the appropriate scope of the MCTO. Non-principal regulators will ordinarily make the same decision as the PR on these questions. However, each regulator may still impose a general CTO if it believes it is appropriate.

(c) MCTOs issued under this policy are not a "penalty" or "sanction" for disclosure purposes

The CSA regulators do not consider MCTOs issued under this policy to be a "penalty or sanction" for the purposes of disclosure obligations in Canadian securities legislation relating to penalties or sanctions. They are not issued as part of an enforcement process and the regulators do not intend them to suggest a finding of fault or wrongdoing on the part of any individual named in the MCTO. For example, a defaulting issuer's board of directors might invite an individual to serve as an officer or director of the issuer to assist the issuer in remedying its default. The individual might have no prior involvement with the defaulting reporting issuer. The fact that the PR may subsequently name the individual in an MCTO does not mean the individual had any responsibility for the default, which occurred before the individual joined the issuer.

However, issuers are required to disclose MCTOs issued under this policy in accordance with the following disclosure requirements:

- Section 16.2 of Form 41-101F1 *Information Required in a Prospectus*,
- Item 16 of Form 44-101F1 *Short Form Prospectus*,
- Subsection 10.2(1) of Form 51-102F2 *Annual Information Form*, and
- Subsection 7.2 of Form 51-102F5 *Information Circular*.

If an issuer is required to include disclosure of an MCTO in a public filing, the issuer may supplement the disclosure with additional information explaining the circumstances of the MCTO.

(d) Regulators may consider other action, including enforcement action

If a reporting issuer is in default of a continuous disclosure requirement, the CSA regulators may also consider taking enforcement action against the reporting issuer, the directors and officers of the reporting issuer, or any other responsible party. Accordingly, nothing in this policy should be interpreted as limiting the discretion of the CSA regulators in responding to such a default through enforcement action.

Part 2 – Definitions and Interpretation

In this policy:

"alternative information guidelines" means the guidelines relating to a default announcement and default status report described in part 4 of this policy;

"cease trade order" and "CTO" mean an order under a provision of Canadian securities legislation, set out in Appendix A, that prohibits trading in securities of a reporting issuer, whether direct or indirect, by the persons or companies identified in the order, for such period as is specified in the order;

"default announcement" means a news release and report as described in section 4.3 of this policy;

"default status report" means a news release and report as described in section 4.4 of this policy;

"management cease trade order" and "MCTO" mean a CTO issued under this policy that prohibits trading in securities of a reporting issuer, whether direct or indirect, by

(a) the chief executive officer (CEO) of the reporting issuer,

(b) the chief financial officer (CFO) of the reporting issuer,

(c) at the discretion of the PR, the members of the board of directors of the reporting issuer or other persons or companies who had, or may have had, access directly or indirectly to any material fact or material change with respect to the reporting issuer that has not been generally disclosed, and

(d) in the case of a reporting issuer that does not have a CEO, CFO and/or a board of directors, individuals who perform similar functions to any of such positions;

"principal regulator" and "PR" mean an issuer's principal regulator as determined in accordance with part 3 of National Policy 11-203 *Process for exemptive relief applications in multiple jurisdictions* (NP 11-203).

"specified default" means a failure by a reporting issuer to comply with a specified requirement; and

"specified requirement" means the requirement to file within the time period prescribed by securities legislation

(a) annual financial statements;

(b) interim financial statements;

(c) annual or interim management's discussion and analysis (MD&A) or annual or interim management report of fund performance (MRFP);

(d) annual information form (AIF); or

(e) certification of filings under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

In certain jurisdictions, the CSA regulators may issue cease trade orders and management cease trade orders that prohibit both trading in and acquisitions of securities of a reporting issuer. In these jurisdictions, references in this policy to a "trade" refers to both a trade in or acquisition of securities of the reporting issuer.

In Quebec, "trade" is not defined in the *Securities Act* (QSA). This policy covers all securities transactions that may be the object of an order provided for in paragraph 3 of section 265 of the QSA.

Part 3 – Regulatory responses to a specified default

3.1 Issuance of a general CTO or an MCTO

In the jurisdictions where the issuer is a reporting issuer, the CSA regulators will respond to a specified default by noting the issuer in default on their default lists. For more information about the CSA default lists, please refer to CSA Notice 51-322.

The CSA regulators will then ordinarily respond to a specified default in one of two ways:

- The issuer's PR may issue a CTO.
- Alternatively, if an issuer applies under part 4 of this policy, and demonstrates that it is able to comply with this policy, the issuer's PR may issue an MCTO instead.

The issuer's PR will decide whether to proceed with a CTO (including whether to issue an MCTO) after considering the principles, factors and criteria described in part 4 of this policy and any other facts and circumstances the PR considers relevant. If the issuer's PR decides an MCTO is appropriate, it will similarly decide whether to extend it to the issuer's board of directors or other persons or companies.

If the issuer's PR issues a CTO, the non-principal regulators in the jurisdictions in which the issuer is a reporting issuer will generally issue similar CTOs to ensure the CTO is effective in their jurisdictions. If the issuer's PR issues an MCTO, the non-principal regulators in the jurisdictions in which the issuer is a reporting issuer will generally issue similar MCTOs in respect of persons or companies named in the MCTO who reside in their jurisdiction.

The CSA regulators will generally not grant exemptive relief to a reporting issuer to extend a continuous disclosure filing deadline to enable an issuer to avoid a default. The deadlines relating to the specified requirements represent the CSA's view as to reasonable and appropriate deadlines that should apply to reporting issuers in a consistent manner. While we recognize that issuers may sometimes face difficulties in complying with filing deadlines due to circumstances beyond their control, we do not believe it is appropriate to vary a filing deadline simply to allow an issuer to avoid being in default. The CSA regulators will consider the issuer's circumstances in deciding what action, if any, is appropriate to respond to a default.

If a defaulting reporting issuer is insolvent and is the subject of a stay of proceedings or similar order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, or the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, or similar legislation, the CSA regulators will generally note the issuer in default but take no other action until the relevant stay is lifted.

3.2 Why do we issue cease trade orders in response to a specified default?

Historically, if a reporting issuer has failed to comply with a specified requirement, such as the requirement to file audited annual financial statements, the CSA regulators have generally responded to this default by issuing a CTO.

The CSA regulators have historically taken this action for the following reasons:

- Without adequate continuous disclosure, there may not be sufficient information in the securities marketplace to properly support informed trading decisions regarding securities of the issuer.

- The integrity and fairness, or confidence in the integrity and fairness, of the capital markets, may be compromised if trading in securities of the reporting issuer is permitted to continue during the period of default (when there is heightened potential that some people may have access to information that would normally be reflected in the continuous disclosure document that the reporting issuer is in default of filing).

We acknowledge that a CTO can impose a burden on issuers and investors because

- existing investors are unable to sell their securities, and prospective investors are unable to purchase securities of the issuer, while the CTO remains in effect, and

- issuers are generally unable to access financing while the CTO remains in effect.

Nevertheless, if a reporting issuer is in default of a specified requirement, our overriding concern is generally investor protection. Investors and prospective investors should be able to make an informed investment decision about the securities of the defaulting reporting issuer.

The practice of responding to a specified default with a CTO has a significant positive effect on general compliance. The prospect of a CTO creates a strong incentive for the reporting issuer's management to ensure that the reporting issuer does not go into default. Similarly, the issuance of a CTO once the issuer is in default creates a strong incentive on the part of management to diligently rectify the filing default.

Finally, a CTO represents a rapid, public response by the CSA regulators to a serious continuous disclosure default by a reporting issuer. This sends a message to issuers and investors that filing deadlines are important and that there will be serious consequences for a failure to file, helping to preserve integrity and fairness in the securities marketplace.

Part 4 – Applications for an MCTO as an alternative to a general CTO

4.1 Eligibility criteria

A CTO is an appropriate response to a specified default that is not likely to be rectified within a relatively short time and where the circumstances leading to the default are likely to continue. These circumstances include issuers that no longer have an active business, are insolvent, or have lost a majority of their board of directors.

If the outstanding filing is expected to be filed relatively quickly, and the default is not expected to be recurring, an MCTO may be an appropriate response to the default.

Issuers satisfying all of the following criteria are usually eligible for an MCTO:

- The outstanding filings will be filed as soon as they are available and within a reasonable period. In most cases, we expect this to be within two months. However, in exceptional circumstances, as determined by the PR, we may permit an issuer to take longer than two months to address the default.

- The issuer is generating revenue from its principal business or, if it is in the development stage, the issuer is actively pursuing the development of its products or properties.

- The issuer has the necessary financial and human resources, including a reasonable number of directors and officers in place, to address the default in a timely and effective manner and comply with all other continuous disclosure requirements (other than requirements reasonably linked to the specified default) for the duration of the default.

- The issuer's securities are listed on a Canadian stock exchange and there is an active, liquid market for those securities. Thinly traded issuers will generally not be considered eligible for an MCTO.

- The issuer is not on the defaulting reporting issuer list in any CSA jurisdiction for any reason other than the failure to comply with the specified requirement (and any other requirement that is reasonably linked to the specified requirement).

4.2 Contents of application

If an issuer satisfies the eligibility criteria set out above, it should contact its PR at least two weeks before the due date for the required filings and apply in writing for an MCTO instead of a general CTO against the issuer.

In its application, the issuer should

- identify the specified default, the reasons for the default and the anticipated duration of the default;
- explain how the issuer satisfies each of the eligibility criteria described above;
- set out a detailed remediation plan that explains how the issuer proposes to remedy the default and includes a realistic timetable for remedying the default;
- include consents signed by the CEO and the CFO (or equivalent) to the issuance of an MCTO (see Appendix C);
- include a copy of the proposed or actual default announcement (see section 4.3);
- confirm that the issuer will comply with the alternative information guidelines described in sections 4.3 and 4.4 of this policy;
- include a copy of the issuer undertaking described in section 4.7 of this policy; and
- briefly describe the issuer's blackout policies and other policies and procedures relating to insider trading.

The issuer should send copies of the application to the regulators in all jurisdictions in which the issuer is a reporting issuer.

We will consider an issuer's history of complying with its continuous disclosure obligations when evaluating the issuer's request for an MCTO.

4.3 Alternative information guidelines – Default Announcement

If a reporting issuer determines that it will not comply, or subsequently determines that it has not complied, with a specified requirement, this will often represent a material change that the issuer should immediately communicate to the securities marketplace by way of a news release and material change report in accordance with part 7 of NI 51-102 *Continuous Disclosure Obligations*. In determining whether a failure to comply with a specified requirement is a material change, the issuer should consider both the events leading to the failure and the failure itself.

If the circumstances leading to the default or the default do not represent a material change, the issuer should nevertheless consider whether the circumstances involve important information that should be immediately communicated to the marketplace by way of news release.

The regulators will generally not exercise their discretion to issue an MCTO unless the issuer issues and files a default announcement containing the information set out below. If the default involves a material change, the material change report may contain this information, in which case a separate default announcement is not necessary. The default announcement should be authorized by the CEO or the CFO (or equivalent) of the reporting issuer, be approved by the board or audit committee and be prepared and filed with the CSA regulators on SEDAR in the same manner as a news release and material change report referred to in part 7 of NI 51-102. An issuer will usually be able to determine that it will not comply with a specified requirement at least two weeks before its due date and, as soon as it makes this determination, should issue the default announcement.

The default announcement should:

(i) identify the relevant specified requirement and the (anticipated) default;

(ii) disclose in detail the reason(s) for the (anticipated) default;

(iii) disclose the current plans of the reporting issuer to remedy the default, including the date it anticipates remedying the default;

(iv) confirm that the reporting issuer intends to satisfy the provisions of the alternate information guidelines so long as it remains in default of a specified requirement;

(v) disclose relevant particulars of any insolvency proceeding to which the reporting issuer is subject, including the nature and timing of information that is required to be provided to creditors, and confirm that the reporting issuer intends to file with the CSA regulators throughout the period in which it is in default, the same information it provides to its creditors when the information is provided to the creditors and in the same manner as it would file a material change report under part 7 of NI 51-102; and

(vi) subject to section 4.5 of this policy, disclose any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

A default announcement is not needed if the issuer is in default of a previous specified requirement, has followed the provisions of section 4.3 regarding a default announcement of that earlier default and is complying with the provisions of section 4.4 regarding default status reports.

4.4 Alternative information guidelines – Default Status Reports

After the default announcement, and during the period of the MCTO, the regulators will generally exercise their discretion to issue a general CTO unless the defaulting reporting issuer issues bi-weekly default status reports, in the form of news releases, containing the following information:

(i) any material changes to the information contained in the default announcement or subsequent default status reports, including a description of all actions taken to remedy the default and the status of any investigations into any events which may have contributed to the default;

(ii) particulars of any failure by the defaulting reporting issuer in fulfilling its stated intentions with respect to satisfying the provisions of the alternate information guidelines;

(iii) information regarding any (anticipated) specified default subsequent to the default which is the subject of the default announcement; and

(iv) subject to section 4.5 of this policy, any other material information concerning the affairs of the reporting issuer that has not been generally disclosed.

Where there are no changes otherwise required to be disclosed in items (i) to (iv), this fact should be disclosed in a default status report.

To keep the market continuously informed of any developments during the period of default, the issuer should issue default status reports every two weeks following the default announcement. If a CSA regulator, at any time, issues a general CTO against an issuer, default status reports will no longer be necessary.

Every default status report should be prepared, authorized, filed and communicated to the securities marketplace in the same manner as that specified in section 4.3 for a default announcement.

4.5 Confidential material information

The alternative information guidelines in this policy supplement the material change reporting requirements in NI 51-102 and should be interpreted in a similar manner. Similar to the procedures in NI 51-102, an issuer may omit confidential material information from default status announcement or default status reports if in the opinion of the issuer, and if that opinion is arrived at in a reasonable manner, disclosure of the applicable material information would be unduly detrimental to the interests of the reporting issuer.

4.6 Compliance with other continuous disclosure requirements

The alternative disclosure described in sections 4.3 and 4.4 of this policy supplement the issuer's disclosure record during the period of default. It does not provide an alternative to the continuous disclosure requirements under Canadian securities legislation.

If a reporting issuer is in default of a specified requirement, the issuer must still comply with all other applicable continuous disclosure requirements, other than requirements reasonably linked to the specified requirement in question. For example, an issuer that has not filed its financial statements on time will also be unable to comply with the requirement to file management's discussion and analysis under NI 51-102. However, failure to comply with a requirement to file audited financial statements in accordance with the requirements of part 4 of NI 51-102 does not excuse compliance with other requirements of NI 51-102 such as the requirement to file an Annual Information Form in accordance with part 6 of NI 51-102 or material change reports in accordance with part 7 of NI 51-102.

4.7 Issuer undertaking to cease certain trading activities

The reporting issuer should include with the application an undertaking that, for so long as the issuer is in default of the specified requirement in question, the issuer will not, directly or indirectly, issue securities to or acquire securities from an insider or employee of the issuer except in accordance with legally binding obligations to do so existing as of the date of the continuous disclosure default. The issuer should address the undertaking to the securities regulatory authorities of each jurisdiction in which the issuer is a reporting issuer.

4.8 Information respecting defaulting reporting issuers subject to insolvency proceedings

As explained in section 3.1, if a defaulting reporting issuer is insolvent and under Court protection, the CSA will generally note the issuer in default but take no other action until the relevant stay is lifted.

If a defaulting reporting issuer is the subject of insolvency proceedings but not under court protection, we will consider an application for an MCTO in cases where

(a) the issuer retains title to its assets,

(b) the issuer's directors and officers continue to manage the affairs of the issuer, and

(c) the issuer

  (i) files a default announcement,

  (ii) files default status reports,

  (iii) files a report disclosing the information it provides to its creditors

    - simultaneously with delivery to its creditors, and
    - in the same manner as a report of a material change referred to in part 7 of NI 51-102; and

  (iv) otherwise complies with this policy.

If the issuer chooses to file the information provided to creditors with a material change report, then, for purposes of filing on SEDAR, this must be contained in the same electronic document as the material change report.

4.9 Financial information in default announcements and default status reports

Any unaudited financial information that is communicated to the marketplace should, except in certain circumstances involving insolvency, be directly derived from financial statements prepared and presented in accordance with generally accepted accounting principles. In default announcements and default status reports, this information should be accompanied by cautionary language that the information has been prepared by management of the defaulting reporting issuer and is unaudited.

4.10 Default correction announcement

Once the specified default is remedied, the reporting issuer should consider communicating that information to the securities marketplace in the same manner as that specified in this policy for a default announcement.

Part 5 – Trading by management and other insiders during the period of default

Issuers in default of a specified requirement should closely monitor and generally restrict trading by management and other insiders due to the increased risk that such persons may have access to material undisclosed information. Such information may include information that would otherwise have been reflected in the continuous disclosure filing that is the subject of the default, information about any investigation into the events that may have led to the default, and information about the status of remediation activities.

We remind management and other insiders that they should carefully consider the insider trading prohibitions under securities legislation before entering into any transaction involving securities of the issuer in default.

The CSA have articulated in National Policy 51-201 *Disclosure Standards* detailed best practices for issuers for disclosure and information containment and have provided an interpretation of insider trading laws. Issuers should adopt written disclosure policies to assist directors, officers and employees and other representatives in discharging timely disclosure obligations. Written

disclosure policies should also provide guidance on how to maintain the confidentiality of corporate information and to prevent improper trading on inside information. Adopting the CSA best practices may assist issuers to take all reasonable steps to preserve the confidentiality of non-public information.

We also remind issuers and other market participants that an officer or other insider of a reporting issuer in default will generally be unable to sell securities acquired from the issuer on an exempt basis because of the resale restrictions in section 2.5(2)(7) and s. 2.6(3)(5) of National Instrument 45-102 *Resale of Securities*.

Part 6 – Effect of a CTO issued by a regulator in one jurisdiction on trading in another jurisdiction

We understand that the practice of Canadian stock exchanges is generally to suspend trading of any securities that are subject to a general CTO (but not an MCTO) by any CSA regulator. As a result, a CTO issued in one jurisdiction will usually prevent most public trading in all CSA jurisdictions. Therefore, the remainder of the guidance in this part deals with off-exchange transactions, transactions on foreign exchanges and private securities transactions (including those in unlisted securities).

Market participants should be cautious about trading in a security in one jurisdiction if a CSA regulator in another jurisdiction has issued a CTO. In most cases, if an issuer's PR issued a CTO in response to a failure by the issuer to comply with a material continuous disclosure requirement, the non-principal regulator will issue a reciprocal CTO on similar terms and conditions.

Continuous disclosure obligations reflect the minimum requirements we feel are necessary to generate sufficient public disclosure to permit investors to make informed investment decisions. The issuance of a CTO by the issuer's PR will generally mean that an issuer has not met the required standard and that there is a significant risk of harm to investors if trading is allowed to continue. Accordingly, market participants should carefully consider the existence of the material continuous disclosure default, and the determination of the issuer's PR, before effecting a trade in a non-principal regulator jurisdiction. Although a trade in one jurisdiction may not violate a CTO in another jurisdiction, the trading activity may still be contrary to the public interest and therefore subject to enforcement or other administrative proceedings.

If a market participant intends to execute a trade in securities of a cease-traded issuer on an exchange or marketplace outside of Canada, the market participant should carefully consider whether the trade may nevertheless be considered to be or include a trade within one or more jurisdictions in Canada where a CTO is in effect. For example, a transaction may be a trade in another jurisdiction if "acts in furtherance of the trade" occur within that jurisdiction. A transaction may also be a trade in another jurisdiction if there are connecting factors or other facts and circumstances that indicate that the securities may not "come to rest" outside Canada but may be resold to investors in a jurisdiction where a CTO is in effect.

Part 7 – Effective date

This policy comes into force on ●.

Appendix A
Statutory Provisions for Cease Trade Orders

Jurisdiction	Legislative reference
British Columbia	Sections 161 and 164 of the *Securities Act* (British Columbia)
Alberta	Section 198 of the *Securities Act* (Alberta)
Saskatchewan	Section 134.1 of *The Securities Act, 1988* (Saskatchewan)
Manitoba	Section 148 of the *Securities Act* (Manitoba)
Ontario	Section 127 of the *Securities Act* (Ontario)
Quebec	Section 265 of the *Securities Act* (Quebec)
Newfoundland and Labrador	Section 127(1) of the *Securities Act* (Newfoundland and Labrador)
Nova Scotia	Section 134 of the *Securities Act* (Nova Scotia)
New Brunswick	Section 188.2 of the *Securities Act* (New Brunswick)

Appendix B
Lists of Defaulting Reporting Issuers

Certain securities regulatory authorities maintain lists that identify those reporting issuers that have been noted in default in the relevant jurisdiction. The lists identify the name of the reporting issuer, and the nature and description of the default. The lists, together with the harmonized categories of default and nomenclature used to identify each category, can be found on the following websites:

www.bcsc.bc.ca
www.albertasecurities.com
www.sfsc.gov.sk.ca
www.msc.gov.mb.ca
www.osc.gov.on.ca
www.lautorite.qc.ca
www.nbsc-cvmnb.ca
www.gov.ns.ca/nssc

Certain securities regulatory authorities have also published policies or notices containing information relating to defaults by reporting issuers. These local polices or notices are:

Alberta:	Alberta Securities Commission Policy 51-601 – *Reporting Issuers List*
Saskatchewan:	Saskatchewan Policy Statement 51-601 – *Reporting Issuers in Default*
Manitoba:	Manitoba Securities Commission Local Policy 51-601 – *Reporting Issuers List*
Ontario:	Ontario Securities Commission Policy 51-601 – *Reporting Issuer Defaults*
Quebec:	AMF Notice on Reporting Issuer Defaults
New Brunswick:	New Brunswick Securities Commission Policy 51-601 – *Reporting Issuers List*
Nova Scotia:	Nova Scotia Securities Commission Policy 51-601 – *Reporting Issuers List*

Appendix C
Sample Form of Consent

CONSENT

To: [*Name of Issuer's Principal Regulator*], as principal regulator,

And to: [*Name(s) of other CSA regulator(s) in whose jurisdiction(s) the Issuer is a reporting issuer*] (collectively with the principal regulator, the CSA regulators)

Re: Consent to issuance of management cease trade order

I, [*name of individual providing the consent*] hereby confirm as follows:

1. I am the [*name of position with the Issuer, e.g., the chief executive officer or chief financial officer*] of [*name of Issuer*] (the Issuer).

2. The Issuer is a [*nature of entity, e.g., a corporation incorporated under the Canada Business Corporations Act*] with a head office located in [province or territory].

3. The Issuer is a reporting issuer in [*identify all jurisdictions in which the issuer is a reporting issuer*]. The Issuer's principal regulator, as determined in accordance with part 3 of National Policy 11-203 *Process for exemptive relief applications in multiple jurisdictions* (NP 11-203) is [*name of principal regulator*].

4. The Issuer [*is*] [*is not*] [*delete as applicable*] a "venture issuer" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102). The Issuer has a financial year ending [*state the issuer's year end, e.g., December 31*].

5. On or about [*identify the deadline for filing*] (the filing deadline), the Issuer will be required to file [*briefly describe the required filings, e.g.,*

   a. *audited annual financial statements for the year ended December 31, 2007, as required by Part 4 of NI 51-102;*

   b. *management's discussion and analysis (MD&A) relating to the audited annual financial statements, as required by Part 5 of NI 51-102; and*

   c. *CEO and CFO certificates relating to the audited annual financial statements, as required by National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (collectively, the required filings)*.]

6. The Issuer has determined that it may not be able to make the required filings by the filing deadline. The Issuer wishes to apply to the CSA regulators for a management cease trade order (an MCTO) as an alternative to a general cease trade order in accordance with National Policy 12-203 *Cease Trade Orders for Continuous Disclosure Defaults* (NP 12-203).

7. I am providing this consent in support of the Issuer's application for an MCTO in accordance with Part 4 of NP 12-203.

8. I hereby consent to the issuance of an MCTO against me by the Issuer's principal regulator under the applicable statutory authority listed in Appendix A to NP 12-203.

9. Specifically, I understand that the MCTO will prohibit me from trading in or acquiring securities of the Issuer, directly or indirectly, until two full business days following the receipt by the principal regulator of all filings the Issuer is required to make under the securities legislation of the principal regulator or until further Order of the principal regulator.

10. I hereby further consent to the issuance of any substantially similar MCTO that another CSA regulator may consider necessary to issue by reason of the default described above.

11. I hereby waive any requirement of a hearing, as may be provided for under the applicable statutory authority listed in Appendix A to NP 12-203, and any corresponding notice of hearing, in respect of the issuance of the MCTO.

DATED this day of [DATE] by : _____
Name:
Title:

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
11/30/2007	96	32 Degrees Energy Fund IV Limited Partnership - Units	15,025,000.00	3,005.00
11/15/2007 to 12/01/2007	2	Agilith Global Mining Venture Fund LP - Units	2,127,851.15	1,927.00
03/04/2008	134	Aladdin Resources Inc. - Common Shares	118,000.00	590,000.00
03/01/2007 to 12/01/2007	2	Alchemy Fund I Limited Partnership - Units	578,562.47	448.00
02/27/2008	3	Allen-Vanguard Corporation - Common Shares	1,958,937.36	380,219.00
01/04/2007 to 12/31/2007	9	Alliance International Large Cap Growth Fund - Units	257,771,662.02	7,797,499.21
03/01/2008	1	Altus Group Limited Partnership - Limited Partnership Units	360,000.00	19,933.00
03/12/2008	2	Ambac Financial Group, Inc. - Common Shares	7,348,000.00	1,700,000.00
03/14/2008	9	Bitterroot Resources Ltd. - Common Shares	1,783,950.00	5,097,000.00
02/20/2008	28	BNP Resources Inc. - Common Shares	4,500,000.90	3,333,334.00
03/06/2008	8	BSC Resources (Properitary) Limited - Common Shares	1,799,994.00	257,142.00
03/04/2008	10	Capella Resources Ltd. - Units	2,500,000.00	12,500,000.00
03/13/2008	62	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,818,754.00	1,818,754.00
03/13/2008	72	CareVest First Mortgage Investment Corporation - Preferred Shares	1,719,845.00	1,719,845.00
03/08/2008 to 03/14/2008	9	CMC Markets Canada Inc. - Contracts for Differences	72,500.00	14.00
02/29/2008	1	Cornerstone Capital Resources Inc. - Units	1,000,000.00	1,204,820.00
02/21/2008	51	Detour Gold Corporation - Special Warrants	65,200,000.00	4,000,000.00
03/04/2008	99	Duvernay Oil Corp. - Common Shares	30,420,000.00	720,000.00
03/07/2008	22	Dynasty Metals & Mining Inc. - Common Shares	18,750,000.00	2,500,000.00
01/08/2008	5	Endeavour Silver Corp. - Common Shares	691,500.00	180,000.00
01/30/2008	134	EnerGulf Resources Inc. - Units	8,800,000.00	8,000,000.00
12/19/2007	1	Europa Fund II, L.P. - Limited Partnership Interest	57,692,000.00	40,000,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
03/14/2008	1	First Leaside Fund - Trust Units	2,640.00	2,640.00
03/14/2008	1	First Leaside Fund - Trust Units	75,000.00	75,000.00
03/12/2008 to 03/14/2008	2	First Leaside Wealth Management Inc. - Notes	115,889.00	115,889.00
03/22/2008	1	First Leaside Wealth Management Inc. - Preferred Shares	50,000.00	50,000.00
03/01/2008	2	Flatiron Market Neutral LP - Units	1,610,000.00	1,408.86
03/06/2008	8	Freewest Resources Canada Inc. - Common Share Purchase Warrant	2,999,999.80	8,571,428.00
02/19/2008	1	Freewest Resources Canada Inc. - Common Shares	14,500.00	50,000.00
02/05/2008	2	Frontier Alt Investment Management Corporation - Units	45,000.00	3,000.00
03/10/2008 to 03/14/2008	28	General Motors Acceptance Corporation of Canada, Limited - Notes	9,637,277.37	96,372.77
03/11/2008	1	Grantium Inc. - Notes	200,000.00	200,000.00
01/24/2007 to 12/19/2007	49	HFI Balance Pool - Units	968,361.56	92,980.00
01/24/2007 to 11/21/2007	171	HFI Growth Pool - Trust Units	4,188,000.50	385,943.00
07/25/2007 to 11/21/2007	167	HFI Tactical Asset Pool - Trust Units	4,841,288.48	485,811.00
02/21/2008	20	International Nickel Ventures Corporation - Flow-Through Shares	3,162,842.50	2,530,274.00
03/11/2008	20	Kimber Resources Inc. - Units	6,000,000.00	8,000,000.00
02/15/2008	1	Kingwest Avenue Portfolio - Units	175,000.00	6,141.77
02/15/2008	1	Kingwest Canadian Equity Portfolio - Units	25,000.00	2,221.97
03/07/2008	33	Knight's Bridge Capital Partners Fund I, L.P. - Limited Partnership Interest	45,825,000.00	45,825.00
02/25/2008	1	Lake Shore Gold Corp. - Common Shares	64,689,239.90	28,172,302.00
03/17/2008	16	Limited Partnership Land Pool 2007 - Limited Partnership Units	1,308,889.00	1,352,800.00
01/10/2007 to 12/20/2007	457	Man AHL Diversifeid (Canada) Fund (CAD $) - Units	18,326,238.01	1,829,425.00
01/10/2007 to 12/17/2007	10	Man AHL Diversifeid (Canada) Fund (USD $) - Units	1,254,000.00	125,282.00
05/16/2007 to 12/10/2007	36	Man Bayswater Global Investments (Canada) Fund (CAD $) - Units	1,792,955.50	179,245.00
05/16/2007	1	Man Bayswater Global Investments (Canada) Fund (USD $) - Units	1,000,000.00	100,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/09/2007 to 12/20/2007	213	Man Multi-Strategy (Canada) Fund (CAD $) - Units	9,577,507.73	956,935.00
03/14/2008	121	Medicago Inc. - Units	2,600,000.00	13,000,000.00
03/11/2008 to 03/13/2008	18	Meriton Networks Inc. - Notes	617,877.48	NA
03/04/2008	25	Merrill Lynch Canada Finance Company - Notes	5,426,400.00	54,264.00
03/04/2008	1	Merrill Lynch Canada Finance Company - Notes	3,000,000.00	30,000.00
03/11/2008	7	Newport Canadian Equity Fund - Units	56,226.25	391.36
03/11/2008	2	Newport Fixed Income Fund - Units	18,000.00	175.54
03/04/2008 to 03/11/2008	8	Newport Yield Fund - Units	97,659.02	811.05
03/14/2008	32	Nordic Oil and Gas Ltd. - Units	905,698.25	2,131,055.00
12/31/2007	2	Northfield Metals Inc. - Common Shares	75,000.00	250,000.00
02/06/2008	3	Norvista Resources Inc. - Common Shares	500,000.00	5,000,000.00
03/07/2008	1	NuViasive, Inc. - Note	1,008,600.00	1.00
02/19/2008	21	OccuLogix, Inc. - Loan	3,048,000.00	1.00
01/25/2008	5	Paget Resources Corporation - Common Shares	582,500.00	466,000.00
01/31/2006 to 12/31/2006	23	Peregrine Investment Management Fund LP - Units	5,525,000.00	2,579.95
03/13/2008	13	PetroGlobe Inc. - Common Shares	2,000,000.00	10,000,000.00
03/06/2008	8	Phoenix Matachewan Mines Inc. - Flow-Through Units	650,000.00	5,265,384.00
03/07/2008	4	Phoenix Matachewan Mines Inc. - Units	69,200.00	865,000.00
03/18/2008	15	Plazacorp Retail Properties Ltd. - Units	1,400,000.00	1,400.00
03/11/2008	1	Portage Minerals Inc. - Note	140,000.00	1.00
03/07/2008	2	ProMetic Life Seciences Inc. - Common Shares	441,490.53	1,209,562.00
03/07/2008	36	Propel Energy Corp. - Common Shares	6,080,490.80	3,727,968.00
03/13/2008	1	Ramtelecom Inc. - Units	102,000.00	510,000.00
03/10/2008	6	Rockport Mining Corp. - Flow-Through Shares	2,500,000.00	2,941,174.00
01/02/2007 to 12/28/2007	7	Sandford C. Bernstein Canadian Value Equity Fund - Units	105,806,051.73	2,602,265.89
03/07/2007 to 10/06/2007	6	Sandford C. Bernstein Core Plus Bond Fund - Units	80,040,255.10	3,069,582.25
01/01/2007 to 12/18/2007	33	Sandford C. Bernstein Global Blend Equity Fund - Units	675,080,771.08	21,191,091.33

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/03/2007 to 12/31/2007	18	Sandford C. Bernstein Global Equity Fund - Units	250,311,447.41	7,525,420.72
01/31/2007 to 03/12/2007	7	Sandford C. Bernstein Global Strategic Value Fund - Units	199,667,609.50	8,370,412.58
01/04/2007 to 12/31/2007	23	Sandford C. Bernstein International Equity (Cap-Weighted, Unhedged) Fund - Units	363,785,652.27	9,181,618.87
01/11/2007 to 12/24/2007	3	Sandford C. Bernstein U.S. Diversified Value Equity Fund - Units	9,858,526.19	355,339.20
03/07/2008	8	Sentinel Rock OilSands Corporation - Common Shares	296,000.00	592,000.00
03/07/2008	4	Sentinel Rock OilSands Corporation - Flow-Through Shares	120,019.80	200,033.00
02/15/2008	7	Sextant Strategic Opportunities Hedge Fund LP - Units	322,998.00	9,618.76
03/07/2008 to 03/11/2008	21	Sherwood Copper Corporation - Common Shares	7,230,000.00	1,205,000.00
03/13/2008	2	Skyharbour Resources Ltd. - Common Shares	22,250.00	200,000.00
10/31/2007	1	Smith Breeden Global Funding Ltd. - Common Shares	299,218,500.00	315,000.00
10/29/2007	4	Southern Oregon Gold Corp. - Units	300,000.00	3,000,000.00
01/28/2008	1	Southern Silver Exploration Corp. - Common Shares	22,500.00	75,000.00
03/01/2006 to 12/01/2006	33	Stellation Capital Fund Ltd. - Common Shares	67,068,770.00	57,550.00
03/12/2008	40	Streetlight Intelligence Inc - Common Shares	4,175,592.00	26,097,450.00
02/19/2008	7	Stroud Resources Ltd. - Units	1,006,005.00	9,581,000.00
02/29/2008	17	Sunshine Oilsands Ltd. - Common Shares	6,605,000.00	1,651,250.00
02/29/2008	17	Sunshine Oilsands Ltd. - Flow-Through Shares	723,253.50	160,723.00
02/28/2007 to 12/31/2007	53	TD Harbour Capital Balanced Fund - Trust Units	6,063,726.98	NA
02/28/2007 to 12/31/2007	119	TD Harbour Capital Canadian Balanced Fund - Trust Units	2,080,987.66	NA
03/31/2007 to 12/31/2007	68	TD Harbour Capital Commodity Fund - Units	5,147,500.00	NA
05/31/2007 to 12/31/2007	8	TD Harbour Capital Foreign Balanced Fund - Units	514,858.77	NA
03/13/2008	22	Valiant Petroleum plc - Common Shares	99,133,353.16	6,666,667.00
01/23/2007 to 07/03/2007	1	Vanguard U.S. Futures Fund - Common Shares	4,940,499.00	31,140.00
03/19/2008	2	Verena Minerals Corporation - Units	1,000,000.00	3,333,333.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/28/2008	48	Vero Energy Inc. - Flow-Through Shares	16,812,745.00	1,940,000.00
02/29/2008	5	Vertex Fund - Units	1,685,255.88	30,004.00
02/29/2008	80	Vertex Fund - Units	2,887,625.02	343,589.00
02/29/2008	26	Vertex Fund - Units	2,077,445.95	38,680.00
02/29/2008	2	Vertex Managed Value Portfolio - Units	155,061.00	12,959.00
02/29/2008	4	Vertex Managed Value Portfolio - Units	283,125.74	23,684.00
03/11/2008	1	Visiphor Corporation - Debenture	1,750,000.00	1.00
03/04/2008	16	Vista Gold Corp. - Note	29,877,000.00	1.00
03/05/2008	170	Walton TX Cottonwood Investment Corporation - Common Shares	3,497,130.00	349,713.00
03/07/2008 to 03/10/2008	28	WellPoint Systems Inc. - Debentures	1,100,000.00	1,100,000.00
03/07/2008 to 03/10/2008	1	WellPoint Systems Inc. - Debentures	2,700,000.00	2,700,000.00
03/06/2008	2	Westboro Mortgage Investment Corp. - Preferred Shares	100,000.00	10,000.00
03/07/2008	17	WesternZagros Resources Ltd. - Common Shares	75,000,001.50	33,333,334.00
03/10/2008	2	Z-Tech (Canada) Inc. - Debenture	1,000,000.00	1.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Argex Silver Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated March 20, 2008
NP 11-202 Receipt dated March 20, 2008
Offering Price and Description:
$250,000.00 to $400,000.00 - 2,500,000 to 4,000,000 Common Shares
Price: $0.10 per share
Underwriter(s) or Distributor(s):
Jones, Gable & Company Limited
Promoter(s):
-
Project #1232368

Issuer Name:
Cadman Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated March 13, 2008
NP 11-202 Receipt dated March 18, 2008
Offering Price and Description:
$240,000.00 - 2,400,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Derek Bartlett
Project #1231055

Issuer Name:
Central Fund of Canada Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated March 24, 2008
NP 11-202 Receipt dated March 24, 2008
Offering Price and Description:
U.S. $ 750,000,000.00 Class A no-voting, fully participating shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1233555

Issuer Name:
Hartford Canadian Money Market Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 14, 2008
NP 11-202 Receipt dated March 18, 2008
Offering Price and Description:
Class F Units and DCA Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Hartford Investments Canada Corp.
Project #1230535

Issuer Name:
Invesco Trimark Retirement 2023 Portfolio
Invesco Trimark Retirement 2028 Portfolio
Invesco Trimark Retirement 2033 Portfolio
Invesco Trimark Retirement 2038 Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 20, 2008
NP 11-202 Receipt dated March 24, 2008
Offering Price and Description:
Series A, F I and P Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIM Funds Management Inc.
Project #1232843

Issuer Name:
Lakeview Hotel Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated March 17, 2008
NP 11-202 Receipt dated March 18, 2008
Offering Price and Description:
$10,250,000.00 - 8.125% Series A Senior Secured Debentures
Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
Thomas Weisel Partners Canada Inc.
Wellington West Capital Inc.
Promoter(s):
-
Project #1230621

Issuer Name:
New Flyer Industries Inc.
New Flyer Industries Canada ULC
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 25, 2008
NP 11-202 Receipt dated March 25, 2008
Offering Price and Description:
C$99,978,000.00
8,770,000 Income Deposit Securities
Price: C$11.40 per IDS
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
New Flyer Transit, L.P.
Project Numbers:
1233915
1233917

Issuer Name:
Open Range Energy Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 19, 2008
NP 11-202 Receipt dated March 20, 2008
Offering Price and Description:
$22,900,260.00 - 2,595,300 Common Shares and 2,400,000 Flow-Through Shares
Price: $4.20 per Common Share and $5.00 per Flow-Through Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Tristone Capital Inc.
Canaccord Capital Corporation
GMP Securities L.P.
MGI Securities Inc.
Promoter(s):
-
Project #1231957

Issuer Name:
PC Gold Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 20, 2008
NP 11-202 Receipt dated March 24, 2008
Offering Price and Description:
$7,500,000.00 to $10,000,000.00 - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Research Capital Corporation
Promoter(s):
Kevin M. Keough
Project #1232671

Issuer Name:
Petro-Canada
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Base Shelf Prospectus dated March 24, 2008
NP 11-202 Receipt dated March 24, 2008
Offering Price and Description:
US $4,000,000,000.00 Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1233186

Issuer Name:
African Aura Resources Limited
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 24, 2008
Mutual Reliance Review System Receipt dated March 25, 2008
Offering Price and Description:
$7,922,917.00 (14,405,304 Units) - (Each Unit consisting of one common share and one-half of one common share purchase warrant) and 21,121,062 Common Shares and 10,560,531 Common Share purchase warrants issuable upon exercise of 21,121,062 previously issued Special Warrants $0.55 per Unit
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #1184574

Issuer Name:
Amalfi Capital Corporation
Principal Regulator – Alberta
Type and Date:
Final CPC Prospectus dated March 17, 2008
Mutual Reliance Review System Receipt dated March 19, 2008
Offering Price and Description:
$900,000.00 - 9,000,000 common shares Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
S. Raymond Ludwig
Michael Rousseau
Project #1208795

Issuer Name:
Baffinland Iron Mines Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 18, 2008
Mutual Reliance Review System Receipt dated March 18, 2008
Offering Price and Description:
$174,999,998.25 - 47,945,205 Common Shares
PRICE $3.65 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Raymond James Ltd.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
National Bank Financial Inc.
Loewen, Ondaatje, McCutcheon Limited
Promoter(s):
-
Project #1228008

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 17, 2008
Mutual Reliance Review System Receipt dated March 18, 2008
Offering Price and Description:
$300,000,000.00 - (12,000,000 Shares) Non-cumulative 5-Year Rate Reset Preferred Shares Series 18
Price: $25.00 per share to yield initially 5.00% per annum
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
Brookfield Financial Corp.
Promoter(s):
-
Project #1227403

Issuer Name:
Bank of Nova Scotia, The
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 19, 2008
Mutual Reliance Review System Receipt dated March 20, 2008
Offering Price and Description:
$1,700,000,000.00 - 4.99% Debentures due 2018
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 #1226209

Issuer Name:
Bannerman Resources Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 17, 2008
Mutual Reliance Review System Receipt dated March 18, 2008
Offering Price and Description:
C$21,000,000.00 - 10,500,000 Ordinary Shares Price: C$2.00 per Ordinary Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
GMP Securities L.P.
Cormark Securities Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1224883

Issuer Name:
BMG BullionFund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated March 18, 2008
Mutual Reliance Review System Receipt dated March 19, 2008
Offering Price and Description:
Class A Units, Class F Units and Class I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Bullion Management Services Inc.
Project #1214749

Issuer Name:
Consolidated Thompson Iron Mines Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 19, 2008
Mutual Reliance Review System Receipt dated March 19, 2008
Offering Price and Description:
$156,000,000.00 - 20,000,000 Common Shares Price: $7.80 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Canaccord Capital Corporation
GMP Securities L.P.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #1228623

Issuer Name:
First Majestic Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated March 19, 2008
Mutual Reliance Review System Receipt dated March 19, 2008
Offering Price and Description:
$45,475,000.00 - 8,500,000 Units Price: $5.35 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Blackmont Capital Inc.
Cormark Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1228227

Issuer Name:
John Deere Credit Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated March 18, 2008
Mutual Reliance Review System Receipt dated March 19, 2008
Offering Price and Description:
CAD $2,000,000,000.00 - Medium Term Notes (Unsecured) Unconditionally guaranteed as to payment of principal, premium (if any), interest and certain other amounts by JOHN DEERE CAPITAL CORPORATION
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1223804

Issuer Name:
Medmira Inc.
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated March 17, 2008
Mutual Reliance Review System Receipt dated March 17, 2008
Offering Price and Description:
Up to $10,000,000.00 of Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1202647

Issuer Name:
Podium Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated March 19, 2008
Mutual Reliance Review System Receipt dated March 20, 2008
Offering Price and Description:
MINIMUM OFFERING: $700,000.00 or 2,333,334 Common Shares; MAXIMUM OFFERING: $1,000,000.00 or 3,333,334 Common Shares PRICE: $0.30 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Kevin Reed
Project #1213008

Issuer Name:
The Consumers' Waterheater Operating Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated March 19, 2008
Mutual Reliance Review System Receipt dated March 20, 2008
Offering Price and Description:
$650,000,000.00 - Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1201149

Issuer Name:
Visa Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 17, 2008
Mutual Reliance Review System Receipt dated March 18, 2008
Offering Price and Description:
U.S. $17,864,000,000.00 - 406,000,000 SHARES OF CLASS A COMMON STOCK U.S. $44.00
Underwriter(s) or Distributor(s):
J.P. Morgan Securities Canada Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
RBC Dominion Securities
TD Securities Inc.
Scotia Capital Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1216282

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Reinstatement of Registration	Resource Capital Partners Inc.	Limited Market Dealer	March 18, 2008
New Registration	First Republic Capital Corporation	Limited Market Dealer	March 18, 2008.
New Registration	American Technology Research, Inc.	International Dealer	March 19, 2008
Reinstatement of Registration	Alterra Capital Inc.	Limited Market Dealer	March 25, 2008
Reinstatement of Registration	Trinity Capital Securities Limited	Limited Market Dealer	March 26, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Issues Notice of Hearing Regarding Gerard and Mavis Brake

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING
REGARDING GERARD AND MAVIS BRAKE

March 20, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Gerard and Mavis Brake.

MFDA staff alleges in its Notice of Hearing that Gerard and Mavis Brake engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

> **Allegation #1:** Between November 2003 and August 2006, the Respondents had or continued in occupations that were not disclosed to or approved by the Member, contrary to MFDA Rule 1.2.1(d).
>
> **Allegation #2:** Between November 2003 and August 2006, the Respondents engaged in securities related business outside the Member by selling more than $1 million in shares of corporations that they owned and operated to 24 clients, which sales were not carried on for the account of the Member or through the facilities of the Member, contrary to MFDA Rule 1.1.1(a);
>
> **Allegation #3:** Between November 2003 and August 2006, the Respondents sold more than $1 million in shares of corporations that the Respondents owned and operated to 24 clients, thereby giving rise to a conflict of interest which the Respondents failed to disclose to the clients and to the Member and which the Respondents failed to address by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4F1F and 2.1.1.
>
> **Allegation #4:** Between November 2003 and August 2006, the Respondents solicited and accepted more than $1 million from 24 clients to be invested on their behalf in corporations that the Respondents owned and operated and have failed to return or otherwise account for the monies, contrary to MFDA Rule 2.1.1.
>
> **Allegation #5:** Between November 2003 and August 2006, the Respondent Mavis E. Brake failed to fulfill her obligations as a Branch Manager by intentionally concealing from the Member conduct and outside business activities that the Respondents were engaging in that contravened the Member's policies and procedures and MFDA regulatory requirements, contrary to MFDA Rule 2.5.3(b) and 2.1.1.
>
> **Allegation #6:** Commencing May 30, 2006, the Respondents have refused to produce for inspection and provide copies of documents and records requested by the MFDA during the course of an investigation, contrary to section 22.1(b) of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Prairie Regional on Wednesday, April 23, 2008 at 10:00 a.m. (Manitoba) or as soon thereafter as can be held. The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public who want to listen to the teleconference for the first appearance should contact Yvette MacDougall, MFDA Hearings Coordinator, at 416-943-4606 or by e-mail at ymacdougall@mfda.ca on or before Monday, April 21, 2008 to obtain particulars. The Hearing on the Merits will take place at a location in Winnipeg, Manitoba at a time, place and venue to be announced at a later date.

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

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

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