

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 11, 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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Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

July 14, 2008	10:00 a.m.	<p>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: ST/MGC/PLK</p>
July 14, 2008	10:00 a.m.	<p>Gold-Quest International, Health & Harmony, Iain Buchanan and Lisa Buchanan</p> <p>s.127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: JEAT</p>
July 18, 2008	10:00 a.m.	<p>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: JEAT/ST</p>
July 22, 2008	2:30 p.m.	<p>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</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: JEAT/CSP</p>
July 23, 2008	10:00 a.m.	<p>Robert Kasner</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: JEAT</p>

August 5, 2008 2:30 p.m.	Rodney International, Choeun Chhean (also known as Paulette C. Chhean) and Michael A. Gittens (also known as Alexander M. Gittens) s. 127 M. Britton in attendance for Staff Panel: TBA	September 9, 2008 1:00 p.m.	Irwin Boock, Svetlana Kouznetsova, Victoria Gerber, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group s. 127(1) & (5) P. Foy in attendance for Staff Panel: LER/JEAT
August 8, 2008 10:00 a.m.	First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman s. 127 D. Ferris in attendance for Staff Panel: WSW/ST/MCH	September 9, 2008 1:00 p.m.	Stanton De Freitas s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
September 2, 2008 2:30 p.m.	LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia s. 127 M. Britton in attendance for Staff Panel: LER/ST	September 9, 2008 1:00 p.m.	David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bithub.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
September 2, 2008 3:30 p.m.	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun s. 127 M. Mackewn in attendance for Staff Panel: TBA	September 11, 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 M. Britton in attendance for Staff Panel: JEAT/MCH
September 3, 2008 10:00 a.m.	Shane Suman and Monie Rahman s. 127 & 127(1) C. Price in attendance for Staff Panel: TBA	September 16, 2008 2:30 p.m.	Darren Delage s. 127 M. Adams in attendance for Staff Panel: TBA

September 19, 2008	Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith and Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels	October 8, 2008	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
10:00 a.m.	s. 127	10:00 a.m.	s. 127 & 127(1)
	M. Vaillancourt in attendance for Staff		D. Ferris in attendance for Staff
	Panel: PJL/WSW/DLK		Panel: TBA
September 22, 2008	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir	October 27, 2008	Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc.
10:00 a.m.	S. 127 and 127.1	10:00 a.m.	s. 127(5)
	I. Smith in attendance for Staff		K. Daniels in attendance for Staff
	Panel: TBA		Panel: TBA
September 26, 2008	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson	November 3, 2008	Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited
10:00 a.m.	s.127	10:00 a.m.	s. 127
	J. Superina in attendance for Staff		E. Cole in attendance for Staff
	Panel: LER/MCH		Panel: TBA
September 30, 2008	Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester	November 11, 2008	LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia
10:00 a.m.	s. 127 & 127.1	2:30 p.m.	s. 127
	M. Boswell in attendance for Staff		M. Britton in attendance for Staff
	Panel: JEAT/DLK		Panel: LER/ST
October 6, 2008	Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas	November 25, 2008	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman
10:00 a.m.	s.127	2:30 p.m.	s. 127(7) and 127(8)
	P. Foy in attendance for Staff		M. Boswell in attendance for Staff
	Panel: TBA		Panel: TBA

December 1, 2008	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton	May 4, 2009	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
TBA	s. 127 H. Craig in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
January 12, 2009	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	September 21, 2009	Swift Trade Inc. and Peter Beck
10:00 a.m.	s. 127 C. Price in attendance for Staff Panel: TBA	10:00 a.m.	s. 127 S. Horgan in attendance for Staff Panel: TBA
February 2, 2009	Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling	TBA	Yama Abdullah Yaqeen
10:00 a.m.	s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA	TBA	s. 8(2) J. Superina in attendance for Staff Panel: TBA
March 23, 2009	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony	TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell
10:00 a.m.	s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA	TBA	s. 127 J. Waechter in attendance for Staff Panel: TBA
April 6, 2009	Gregory Galanis	TBA	Frank Dunn, Douglas Beatty, Michael Gollogly
10:00 a.m.	s. 127 P. Foy in attendance for Staff Panel: TBA		s.127 K. Daniels in attendance for Staff Panel: TBA

TBA	<p>Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels</p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: JEAT/ST</p>	<p><u>ADJOURNED SINE DIE</u></p> <p>Global Privacy Management Trust and Robert Cranston</p> <p>Andrew Keith Lech</p> <p>S. B. McLaughlin</p> <p>Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol</p> <p>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</p> <p>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</p> <p>Euston Capital Corporation and George Schwartz</p> <p>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</p> <p>Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia</p> <p>Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman</p>
TBA	<p>Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.</p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: JEAT/DLK/CSP</p>	
TBA	<p>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</p> <p>s.127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	
TBA	<p>Matthew Scott Sinclair</p> <p>s.127</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>	

1.1.2 CSA Staff Notice 52-322 - Status of Proposed Repeal and Replacement of Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings

**CSA STAFF NOTICE 52-322
STATUS OF PROPOSED REPEAL AND REPLACEMENT OF
MULTILATERAL INSTRUMENT 52-109 CERTIFICATION OF DISCLOSURE
IN ISSUERS' ANNUAL AND INTERIM FILINGS**

Staff of the Canadian Securities Administrators (the CSA or we) are issuing this notice to update market participants on the status of the initiative to repeal and replace Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and the related forms and companion policy.

On April 18, 2008, the CSA published for comment the following:

- National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- Forms 52-109F1, 52-109FV1, 52-109F1 – IPO/RTO, 52-109F1R, 52-109F1 – AIF, 52-109F2, 52-109FV2, 52-109F2 – IPO/RTO and 52-109F2R; and
- Companion Policy 52-109CP *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the Proposed Materials).

The comment period for the Proposed Materials expired on June 17, 2008. We received 26 comment letters. We have considered all comments received and do not expect to recommend any material amendments to the Proposed Materials.

A number of commenters requested that the CSA defer the effective date of the Proposed Materials from December 15, 2008 until a date in 2009. CSA staff continue to believe that the proposed effective date of December 15, 2008 is appropriate and will recommend this effective date to our respective commissions.

We are preparing the final form of the Proposed Materials and will recommend publication as soon as practicable. Publication of the final materials is subject to commission approvals.

Questions

Please refer your questions to any of the following individuals:

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July 11, 2008

1.1.3 CNQ – Notice of Commission Approval – French Versions of CNQ Rules and Policies

**CANADIAN TRADING AND QUOTATION SYSTEM INC. (CNQ)
FRENCH VERSIONS OF CNQ RULES AND POLICIES
NOTICE OF COMMISSION APPROVAL**

On June 24, 2008 the Commission approved the French versions of CNQ's rules and policies. The French rules and policies will be available on CNQ's website at <http://www.cnq.ca> on or before August 31, 2008.

1.4 Notices from the Office of the Secretary

1.4.1 Peter George Lee

FOR IMMEDIATE RELEASE
July 3, 2008

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

AND

**IN THE MATTER OF
PETER GEORGE LEE**

TORONTO – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Peter George Lee.

A copy of the Order dated July 3, 2008 and Settlement Agreement dated July 2, 2008 are available at www.osc.gov.on.ca.

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1.4.2 Swift Trade Inc. and Peter Beck

FOR IMMEDIATE RELEASE
July 7, 2008

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

AND

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

TORONTO – The Commission issued an Order today which provides that the hearing on the merits in this matter is scheduled, on the consent of the parties, to commence September 21, 2009 and proceed through September 25, 2009.

A copy of the Order dated July 7, 2008 is available at www.osc.gov.on.ca.

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1.4.3 Matthew Scott Sinclair

FOR IMMEDIATE RELEASE
July 9, 2008

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

AND

**IN THE MATTER OF
MATTHEW SCOTT SINCLAIR**

TORONTO – Following a hearing yesterday, the Commission issued an order which provides that this matter is adjourned to September 29, 2008 at 2:00 p.m. for the purpose of a pre-hearing conference.

A copy of the Order dated July 8, 2008 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.4 Adrian Samuel Leemhuis et al.

FOR IMMEDIATE RELEASE
July 9, 2008

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

AND

**IN THE MATTER OF
ADRIAN SAMUEL LEEHUIS, FUTURE GROWTH
GROUP INC., FUTURE GROWTH FUND LIMITED,
FUTURE GROWTH GLOBAL FUND LIMITED,
FUTURE GROWTH MARKET NEUTRAL FUND
LIMITED, FUTURE GROWTH WORLD FUND,
and ASL DIRECT INC.**

TORONTO – Today, the Commission issued an Order in the above noted matter.

A copy of the Order dated July 9, 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 Mackenzie Financial Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – mutual fund granted relief from preparing and filing annual management report of fund performance which 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, s. 4.2.

June 30, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
(the Filer or Mackenzie)**

AND

MACKENZIE DESTINATION+ 2017 FUND (the Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**), 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 June 30, 2008 (the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless they are defined.

Representations

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

1. Mackenzie is a corporation operating under the laws of the Province of Ontario with its head office in Toronto, Ontario.
2. Mackenzie is the manager of the Fund, which is sold in every Province and Territory of Canada through independent financial advisors that are members of the Mutual Fund Dealers Association or the Investment Dealers Association.
3. The Fund was created by Declaration of Trust on June 12, 2008.
4. The final simplified prospectus and annual information form (the **Prospectus**) of the Fund was filed on SEDAR on June 13, 2008 under SEDAR Project Number 1267666. A receipt for the Prospectus was issued the same day.
5. The Fund is available for sale through registered dealers on June 23, 2008, which implies that the Fund has public investors only for a maximum of 5 trading days during the current financial year.
6. The Fund is a target date fund-of-fund product that invests in model portfolios as set out in its simplified prospectus. The initial investment is in

- the Growth Model Portfolio which consists entirely of underlying Mackenzie-managed mutual funds.
7. Mackenzie prepares and files MRFPs for all of its funds in a timely manner as required by NI 81-106.
8. In the absence of the Requested Relief, the Fund would be required to prepare and file in the Jurisdictions an MRFP for the financial year ended June 30, 2008 for each of the Jurisdictions.
9. The limited activities of the Fund for the period June 13, 2008 to June 30, 2008 do not provide meaningful information for the purposes of the preparation of an MRFP.
10. 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 Fund and the fact that units of the Fund were not be made available to the public until June 23, 2008, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in an MRFP.
11. Mackenzie will prepare, file, and deliver audited financial statements for the Fund for the financial year ended June 30, 2008 as required by NI 81-106.
12. The financial statements of the Fund for the year ended June 30, 2008 will include a statement advising investors that interim and annual MRFPs relating to the Fund will be prepared and provided to investors in accordance with the Legislation during all of the future interim and annual reporting periods of the Fund.
- (i) the Filer will prepare an MRFP for the period ended December 31, 2008 in accordance with Form 81-106F1, except that it will include financial highlights as required by Part B, Item 3 of Form 81-106F1.

“Rhonda Goldberg”
Manager, Investment Funds Branch
Ontario Securities Commission

Decision

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

The decision of the principal regulator under the Legislation is that the Requested Relief is granted provided that:

2.1.2 Manulife Securities International Limited and Berkshire Investment Group Inc.

Passport System – Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 33-109 Registration Information (NI 33-109) – relief from certain filing requirements of NI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an amalgamation.

Multilateral Instruments Cited

Multilateral Instrument 11-102 Passport System.

National Instruments Cited

National Instrument 33-109 Registration Information.

June 26, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO
(the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
MANULIFE SECURITIES INTERNATIONAL LIMITED
(MSIL) AND BERKSHIRE INVESTMENT GROUP INC.
(BIG) (the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of Ontario (the **Legislation**), for relief pursuant to section 7.1 of National Instrument 33-109 *Registration Information (NI 33-109)* to allow the bulk transfer of all of the registered individuals and all of the locations of each of MSIL and BIG to a new amalgamated entity, Manulife Securities Investment Services Inc. (**MSIS**) (the **Bulk Transfer**), on or about July 2, 2008 in accordance with section 3.1 of the companion policy to NI 33-109 (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Applicants have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon by each of the Applicants on the same

basis in all of the other provinces and territories of Canada, except Nunavut (together with Ontario, the **Jurisdictions**).

Interpretation

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

Representations

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

MSIL

1. MSIL is a wholly-owned subsidiary of The Manufacturers Life Insurance Company (**Manulife Financial**). The head office of MSIL is in Ontario.
2. MSIL is registered as a mutual fund dealer or equivalent in all of the provinces and territories of Canada, except Nunavut, and as a limited market dealer in Ontario and Newfoundland and Labrador. MSIL is also a Level 4 member of the Mutual Fund Dealers Association of Canada (the **MFDA**).
3. MSIL is not in default of the securities legislation in any of the Jurisdictions.

BIG

4. BIG is also a wholly-owned-subsiary of Manulife Financial. The head office of BIG is in Ontario.
5. BIG is registered as a mutual fund dealer in all of the provinces and territories of Canada, except Nunavut, and as a limited market dealer in Ontario and Newfoundland and Labrador. BIG is also a Level 4 member of the MFDA.
6. BIG is not in default of the securities legislation in any of the Jurisdictions.

Integration / Amalgamation

7. Manulife Financial acquired BIG on or about August 31, 2007 and intends to amalgamate MSIL and BIG on or about July 2, 2008, and to name the new entity Manulife Securities Investment Services Inc.
8. An application was filed with the MFDA on or about May 16, 2008 seeking the approval of the MFDA to the amalgamation of MSIL and BIG.
9. Effective on or about July 2, 2008, all of the current registerable activities of MSIL and BIG will be transferred to MSIS. MSIS will assume all of the existing registrations and approvals for all of the registered individuals and all of the locations

of MSIL and BIG. MSIS does not anticipate that there will be any disruption in the ability of MSIL and/or BIG to trade on behalf of their respective clients, and MSIS should be able to trade immediately after the amalgamation.

10. MSIS will continue to be registered in the same categories of registration as MSIL and BIG across Canada, and will continue to be a member of the MFDA and will be subject to, and will comply with, all of Canada's applicable securities laws, including those of the MFDA.
11. MSIS will carry on the same securities business of MSIL and BIG in substantially the same manner with essentially the same personnel.
12. The Exemption Sought will not be contrary to public interest and will have no negative consequences on the ability of MSIS to comply with all applicable regulatory requirements or the ability to satisfy any obligations in respect of the clients of MSIL and BIG.
13. Given the significant number of registered individuals and locations of MSIL and BIG, it would be extremely difficult to transfer each individual and location to MSIS in accordance with the requirements of NI 33-109 if the Exemption Sought is not granted.
14. A press release will be issued immediately after the amalgamation of MSIL and BIG to confirm such change. A notice will also be mailed to the clients of each company confirming that the amalgamation occurred and how the operations of MSIL and BIG will be integrated over the following months.
15. The head office of MSIS will be BIG's current head office location, which is located at 1375 Kerns Road, P.O. Box 5083, Burlington, Ontario, L7R 0A8.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the Bulk Transfer, and make such payment in advance of the Bulk Transfer.

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

2.1.3 Escondoro Resources Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Application by a reporting issuer for an order that it is not a reporting issuer in the Jurisdictions. Issuer in default of certain continuous disclosure requirements. Requested relief granted.

Applicable Legislative Provision

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

July 2, 2008

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

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
ESCONDORO RESOURCES LTD.
(the Filer)**

DECISION

Background

The securities regulatory authorities or the regulators in the Jurisdictions (the Decision Makers) have received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Exemptive Relief Sought).

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

- (a) the Autorité des marchés financiers is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Makers.

Interpretation

Terms defined in *Regulation 14-101 respecting Definitions* have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was incorporated under the *Canada Business Corporations Act* on December 15, 2006 under the name Ressources Escondoro Ltée / Escondoro Resources Ltd.
2. The head office of the Filer is located at 2505 Laurier Boulevard, Suite 240, Quebec City, Quebec, G1V 2L2.
3. In connection with its initial public offering (the Offering), the Filer filed, on December 20, 2007, a final prospectus (the Prospectus) with the securities regulatory authorities of Quebec, Ontario, Alberta and British Columbia.
4. Upon issuance of a receipt for the Prospectus on December 21, 2007, the Filer became a reporting issuer in Quebec, Ontario, Alberta and British Columbia.
5. On March 3, 2008, the Filer filed an amended and restated prospectus dated February 29, 2008 (the Amended Prospectus), for which a receipt was issued on March 12, 2008 in Quebec, Ontario, Alberta and British Columbia.
6. The Filer has discontinued the Offering, it has not distributed and has no intention to distribute its securities by prospectus.
7. The Filer currently has the same security holders as it had prior to filing the Prospectus and the Amended Prospectus.
8. On May 7, 2008, the Filer filed a notice in British Columbia pursuant to the provisions of BC Instrument 11-502, *Voluntary Surrender of Reporting Issuer Status* to cease to be a reporting issuer. The Filer ceased to be a reporting issuer in British Columbia on May 18, 2008.
9. The Filer is authorized to issue an unlimited number of common shares without par value, of which 11,736,667 are currently issued and outstanding.
10. The outstanding securities of the Filer have not changed since it filed the Prospectus.
11. To the knowledge of the Filer, no trading of its securities has occurred since it filed the Prospectus.
12. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada, except for Quebec, where the Filer has 19 security holders.
13. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 51 security holders in total in Canada.
14. No securities of the Filer are traded on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation*.
15. The Filer is applying for a decision from the Decision Makers that it is not a reporting issuer in the Jurisdictions.
16. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except that the Filer has not filed (i) its annual financial statements and annual MD&A for the year ended December 31, 2007 as well as its interim financial statements and interim MD&A for the period ended March 31, 2008 as required under *Regulation 51-102 respecting Continuous Disclosure Obligations* and (ii) its certification of annual and interim filings as required under *Regulation 52-109 respecting Certification of Disclosure in Issuers' Annual and Interim Filings*.
17. On June 9, 2008, the Filer issued and filed a news release announcing that it decided to postpone the Offering and an application was filed with the Jurisdictions to cease to be a reporting issuer.

Decision

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

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

Marie-Christine Barrette
Manager, Financial Information
Autorité des marchés financiers

2.1.4 C.S.T. Consultants Inc. - MRRS Decision

Headnote

Mutual Reliance Review System – Scholarship plan dealer exempted from monthly and quarterly statement of account requirements, subject to certain terms and conditions.

Mutual Reliance Review System – Scholarship plan dealer exempted from trade confirmation requirement, subject to certain terms and conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.

Ontario Regulation 1015, R.R.O. 1990, as am., ss. 123(1), (2), (3), 226(1).

July 2, 2008

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

AND

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

AND

IN THE MATTER OF
C.S.T. CONSULTANTS INC. (the Filer)

MRRS DECISION

Background

The local securities regulatory authority or regulator (the **Statement of Account Exemption Decision Makers**) in each of the Jurisdictions has received an application from the Filer, for a decision under the securities legislation (the **Legislation**) of the Jurisdictions that the following requirements (**Statement of Account Requirements**) in the Legislation shall not apply to the Filer:

- (i) the provisions (the **Monthly Statement Requirement**) that would require the Filer, as a registered scholarship plan dealer, to prepare, and, depending upon the Jurisdiction, send or forward, a statement of account to each client of the Filer at the end of each month in which the client has, depending upon the Jurisdiction, effected or recorded, a

transaction, where there is a debit or credit balance or securities held, and

- (ii) the provisions (the **Quarterly Statement Requirement**) that would require the Filer, as a registered scholarship plan dealer, to prepare, and, depending upon the Jurisdiction, send or forward, a statement of account to each client of the Filer, not less than every three months, where the client has not effected a transaction in the period, but there are either funds or securities held by the Filer for the client on a continuing basis, showing any debit or credit balance and the details of any securities held or owned,

where the subject securities are Scholarship Plan Securities (as defined below) of a Canadian Scholarship Trust Plan (as defined below).

The local securities regulatory authority or regulator (the **Trade Confirmation Exemption Decision Makers**) in each of the Jurisdictions has also received an application from the Filer for a decision under the Legislation of the Jurisdictions that the Trade Confirmation Requirement (as defined below) shall not apply to the Filer in the case of a transaction (a **Pre-Authorized Self-Determined Plan Contribution**) by a customer of the Filer, that consists of a Contribution (as defined below) by the customer to a Canadian Scholarship Trust Plan that is a Self-Determined Plan (as defined below), that is made after the customer has made an Initial Contribution (as defined below) to the Self-Determined Plan, and that is made pursuant to the terms of a pre-authorized payment schedule that was agreed to by the customer at the time of the Initial Contribution.

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for these applications, and
- (b) this MRRS decision document evidences the decisions of each Statement of Account Exemption Decision Maker and each Trade Confirmation Exemption Decision Maker (collectively, the **Decision Makers**).

Interpretation

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

In these decisions, the **Trade Confirmation Requirement** means the provisions contained in the Legislation that require a registered dealer, who has acted as principal or agent in connection with, depending upon the Jurisdiction, a trade in a security or a purchase or sale of a security, to promptly send or deliver to the customer a written

confirmation (a **Trade Confirmation**) of the transaction, setting forth certain information specified in the Legislation.

Representations

These decisions are based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the laws of Canada having its head office in Ontario. The Filer is a wholly-owned subsidiary of Canadian Scholarship Trust Foundation (the **Foundation**).
2. The Filer is registered under the Legislation of each Jurisdiction as a scholarship plan dealer, and, as such, registered for the purpose of trading in securities (**Scholarship Plan Securities**) of a scholarship or educational plan or trust. The Filer is not registered in any other category of registration under the Legislation of any of the Jurisdictions.
3. Each of the following group scholarship plans (each, a **Group Plan** and, collectively, the **Group Plans**) is sponsored and administered by the Foundation:
 - (i) The Canadian Scholarship Trust Plan – Plan I;
 - (ii) The Canadian Scholarship Trust Plan – Plan II;
 - (iii) The Canadian Scholarship Trust Plan – The Founders' Plan;
 - (iv) The Canadian Scholarship Trust Plan – Group Savings Plan; and
 - (iv) The Canadian Scholarship Trust Plan – Group Savings Plan 2001 (the **Group Saving Plan**).
4. Each of the following scholarship plans (each, a **Self-Determined Plan**, and, collectively, the **Self-Determined Plans**) is sponsored and administered by the Foundation:
 - (i) The Canadian Scholarship Trust Plan – Individual Savings Plan (each, an **Individual Plan**);
 - (ii) The Canadian Scholarship Trust Plan – Family Savings Plan (each, a **Family Plan**);
5. Currently, the Group Savings Plan is the only Group Plan available to new Contributors (as defined below).
6. The assets of each of the Plans are held in trust by RBC Dexia Investor Services Trust (the **Trustee**) pursuant to trust agreements.
7. The only Scholarship Plan Securities that are (or have been) offered by the Filer consist of education savings plan agreements (each, an **Education Savings Plan Agreement**) evidencing interests in a Group Plan or interests in a Self-Determined Plan that is (or has been) offered by a prospectus. The current offering of interests in the Group Savings Plans and the Self-Determined Plans (collectively, the **Canadian Scholarship Trust Plans** or the **Plans**, and individually, a **Canadian Scholarship Trust Plan** or **Plan**) is being made pursuant to a prospectus.
8. Interests in the Group Plans and interests in the Self-Determined Plans are sold to persons (each, a **Contributor**) who enter into an Education Savings Plan Agreement with the Foundation and the Trustee, whereby the Contributor agrees to contribute an amount or amounts (a **Contribution**) to a Plan, by way of a lump sum payment, or a series of payments, in accordance with the terms of the particular Plan selected by the Contributor. These amounts, after the payment of certain fees and expenses, are held in trust by the Trustee on behalf of the Contributor and the child(ren) (each, a **Beneficiary**) designated by the Contributor as the Contributor's beneficiary(s) for the purposes of the Plan.
9. Upon the fulfilment of certain conditions prescribed by the Tax Act, each Education Savings Plan Agreement is registered under the *Income Tax Act* (Canada) (the **Tax Act**) as a "registered education savings plan" (an **RESP**).
10. Contributions made by Contributors under each of the Plans are invested according to the investment restrictions and practices contained in the Tax Act and National Policy 15 *Conditions Precedent to Acceptance of Scholarship or Education Plan Prospectuses* (as such Policy is currently being interpreted and applied).
11. The Group Plans and the Self-Determined Plans are all education savings plans designed to help the Contributor save amounts to assist the Beneficiary(s) designated by the Contributor in paying for the expenses of the Beneficiary's post-secondary education (in a program, and at an institution, that qualifies for the purposes of the particular Plan) under which amounts (**Education Assistance Payments** or **EAPs**) are paid out of the Plan to the Beneficiary, using income that is earned on the corresponding Contributions, less certain fees and expenses, plus: (i) government grants that are contributed to the Plan for the Beneficiary (including income earned on the government grants, less certain expenses); and (ii) in the case of a Group Plan, but depending upon the particular Group Plan, certain other amounts contributed by other Contributors participating in the same Plan that may have been forfeited, or amounts contributed by the Foundation. Under each Plan, the amount of the Contributions made (less enrolment fees and depository charges) (the **Principal**) is to be returned to the Contributor at a maturity (**Maturity**)

date specified for the corresponding Plan. All or part of the enrolment fees paid by the Contributor may also be refunded to the Contributor or paid to their Beneficiary as part of an Educational Assistance Payment following Maturity, in accordance with terms of the particular Plan.

12. In a Group Plan, the Education Assistance Payments payable to a Beneficiary include government grants and may also include a share of income earned on Contributions made by other Contributors whose participation in the same Plan terminated before Maturity, income earned after Maturity on amounts not withdrawn from the Plan at Maturity, amounts remaining in the Plan that are not collected by Beneficiaries within the period of eligibility to claim such amounts, and discretionary amounts that may be paid by the Foundation out of its surplus funds. Under a Self-Determined Plan, Education Assistance Payments are paid to Beneficiary(s) at the discretion of the Contributor, within the limitations of the Tax Act. In a Self-Determined Plan, the Education Assistance Payments include income earned on the Principal contributed, government grants and income earned on government grants.

13. In the case of an Education Savings Plan Agreement for a Group Plan, the Contributor may designate one child as the Beneficiary. The Contributor agrees in their Education Savings Plan Agreement to make payments for the purchase of units (**Units**) in the particular Group Savings Plan in which the Contributor participates according to a contribution schedule (the **Contribution Schedule**). The amount of a Contributor's Contribution under the Group Plan will depend upon the number of Units the Contributor agrees to purchase, the frequency and length of time that the Contributor makes Contributions to pay for these Units, and the age of the Beneficiary at the time that the Contributor enrolls in the Group Plan. Under the Contribution Schedule for the Group Savings Plan being offered to new Contributors, a Contributor can choose between different contribution options (each, a **Contribution Option**), including a one-time payment or periodic payments.

14. In the case of an Education Savings Plan Agreement that is an Individual Plan, the Contributor may designate one child as the Beneficiary. In the case of an Education Savings Plan Agreement that is a Family Plan, the Contributor may designate one or more children as a Beneficiary. Under Self-Determined Plans, the Contributor is required to make an initial contribution (an **Initial Contribution**) at the time they enter into the corresponding Education Savings Plan Agreement, with the amount and frequency of any further contributions determined by the Contributor. The Individual Plan and the Family Savings Plan are referred to as "self-

determined plans" because there is no required contribution schedule and the corresponding Education Assistance Payments that are paid to their Beneficiary(s) are calculated without reference to any other Contributor or their Beneficiaries.

15. Contributors have three payment options for making their Contributions to a Plan:

- (a) pre-authorized payment out of an account (**the Contributor's Bank Account**) of the Contributor at a bank or other financial institution;
- (b) other methods of payment out of the Contributor's Bank Account (e.g., ATM, telephone or internet banking); or
- (c) cheque made payable from the Contributor's Bank Account.

Cheques must be made payable, and other payments directed, to either the Foundation or the Trustee, but never to the Filer.

16. Except for temporary custody of cheques that may be made payable to the Foundation, a Contributor, or a Beneficiary, the Filer does not ever hold funds on behalf of any client of the Filer. Nor are any Scholarship Plan Securities that are owned by clients of the Filer registered in the name of the Filer; instead, these securities are shown on the books of the issuer in the name of the client.

17. In the case of an Education Savings Plan Agreement for a Group Plan, the Contributor must pay a per Unit enrolment fee. A Contributor must also pay a depository charge, the amount of which depends on the frequency of his or her payments under the Contribution Schedule. The enrolment fee and depository charge are the only fees associated with a Group Plan which are paid from a Contributor's Contributions to the Plan. All other mandatory fees, including administration fees, Trustee fees and investment management fees are paid from the income earned in the Plan.

18. In the case of an Education Savings Plan Agreement for a Self-Determined Plan, the Contributor must pay an enrolment fee at the time the Education Savings Plan Agreement is entered into and the full amount of the enrolment fee is paid with the Contributor's Initial Contribution. The enrolment fee is the only fee associated with a Self-Determined Plan, which is paid from a Contributor's Contributions to the Plan. All other mandatory fees, including administration fees, Trustee fees and investment management fees are paid from the income earned in the Plan.

19. Without the exemptions from Statement of Account Requirements and the Trade

Confirmation Requirements provided for in these decisions, the additional costs associated with the Filer otherwise complying with the Statement of Account Requirements and the Trade Confirmation Requirement would be significant relative to the dollar value of Contributions made by Contributors during the relevant periods.

20. At the time a Contributor enters into the Education Savings Plan Agreement for a Plan, the Contributor is furnished with a Confirmation of Trade in respect of the transaction, in accordance with the Trade Confirmation Requirement, which will set out the information required by the Legislation to be set out in the Confirmation of Trade and will include complete details concerning the enrolment fee, the number of Units (as applicable) purchased, the amount of the Initial Contribution, and the payment schedule for any subsequent Contributions that the Contributor agrees to make under the Plan.
21. Customers of the Filer who enter into an Education Savings Plan Agreement for a Group Plan, and purchase a specific number of Units in accordance with a Contribution Schedule, will be furnished with an initial Confirmation of Trade in respect of their entering into the Education Savings Plan Agreement and making the Initial Contribution for these Units, but not for subsequent Contributions that are made in payment for these Units after the Initial Contribution.
22. Since customers of the Filer who enter into Education Savings Plan Agreements for a Self-Determined Plan do not acquire, or agree to acquire, any specific number of Units, or any specific amount of interest(s), at the time they enter into the Education Savings Plan Agreement, in the absence of an exemption, the Filer would be obliged by the Trade Confirmation Requirement to send or deliver a Confirmation of Trade to the customer each time the customer makes a Contribution to their Self-Determined Plan, even where the Contribution is a subsequent Contribution that was previously agreed to by the customer.
23. The only securities transactions that the Filer will undertake with or on behalf of any customer or client of the Filer will relate to Scholarship Plan Securities.
24. For each period (a **Reporting Period**), beginning on January 1 (or, if the client opened their account with the Filer during the period, beginning the date the account was opened) and ending on December 31 (or, if the corresponding Education Savings Plan Agreement of the client was terminated in the period, ending on the date of termination), the Filer will, within 60 days of the end of the Reporting Period, send to each client of

the Filer who, at any time during the Reporting Period, was the owner of any Scholarship Plan Securities that consist of an interest in a Plan or had an account at the Filer, in respect of which there was a debit or credit balance or the Filer held any securities on behalf of the client, a statement of account (the **Annual Statement of Account**) that shows, for the account of the client, the same information that the Filer would, but for the exemptions in these decisions, have been required under the Legislation to provide in:

- (i) any statement of account, prepared as at the end of any month in the Reporting Period, that the Filer would, but for the exemptions in these decisions, have been required to send or forward to the client, in accordance with the Monthly Statement Requirement,
 - (ii) any statement of account, prepared as at the end of any three-month period ending in the Reporting Period, that the Filer would, but for the exemptions in these decisions, have been required to send or forward to the client, in accordance with the Quarterly Statement Requirement, and
 - (iii) any Confirmation of Trade that the Filer would, but for the exemptions in these decisions, have been required to send or deliver to the client for any transactions during the Reporting Period, in accordance with the Confirmation of Trade Requirement, if it has not already done so.
25. The Filer maintains an internet facility (the **Statement of Account Internet Facility**) whereby clients of the Filer can access an overview of their account(s) at the Filer by logging on to a web site of the Filer, and, through a secure connection, monitor activity in their account(s). The Statement of Account Internet Facility allows clients of the Filer to access the same information regarding their account(s) at the Filer that the Filer has included (or will include) in an Annual Statement of Account, except that the information will be presented for both the most recently completed Reporting Period and the current Reporting Period (which will be presented and identified on a real-time basis).
 26. Clients of the Filer may also contact customer service representatives of the Filer, by telephone during normal business hours, and obtain, free of charge, by facsimile or mail, a copy of the same information that would be available to the client through the Statement of Account Internet Facility.
 27. Any person or company that is not currently a customer or client of the Filer on the effective date

of these decisions, will, before they are accepted as a customer or client of the Filer, receive disclosure from the Filer concerning the reporting that they will receive from the Filer, including the reporting referred to in paragraphs 24, 25 and 26, above.

28. Existing customers or clients of the Filer have received prominent disclosure from the Filer concerning the reporting that they will receive from the Filer, including the reporting referred to in paragraphs 24, 25 and 26, above.

Decisions

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

The decision of the Statement of Account Exemption Decision Makers under the Legislation of each Jurisdiction is that the Filer shall not be required to send a statement of account to any client of the Filer at the end of the month in which the client has effected a transaction, in accordance with the Monthly Statement of Account Requirement in the Legislation, provided that:

- (A) the Filer sends to the client the corresponding Annual Statement of Account, as described in paragraph 24, above; and
- (B) for each Jurisdiction, this decision shall terminate one year after the coming into force of any rule or other regulation under the Legislation of the Jurisdiction that relates, in whole or in part, to the Monthly Statement of Account Requirement in the Legislation applicable to dealers that are registered under the Legislation as scholarship plan dealers.

The decision of the Statement of Account Exemption Decision Makers under the Legislation of each Jurisdiction is that the Filer shall not be required to send a statement of account to any client of the Filer for any period, where, during the period, the client has not effected a transaction, but for which the Filer would, by reason only of the fact there are Scholarship Plan Securities held by the Filer on a continuing basis for the client, be required to send to the client a statement of account, in accordance with the Quarterly Statement of Account Requirement, provided that:

- (C) the Filer sends to the client the corresponding Annual Statement of Account, referred to in paragraph 24, above; and
- (D) for each Jurisdiction, this decision shall terminate one year after the coming into force of any rule or other regulation under

the Legislation of the Jurisdiction that relates, in the whole or in the part, to the Quarterly Statement of Account Requirement in the Legislation applicable to dealers that are registered under the Legislation as scholarship plan dealers.

“David M. Gilkes”
Manager, Registrant Regulation
Ontario Securities Commission

It is the decision of the Trade Confirmation Exemption Decision Makers under the Legislation of each Jurisdiction having the Trade Confirmation Requirement that the Filer shall not be required to send or deliver to any customer of the Filer a Confirmation of Trade for a transaction that consists of a trade that is a Pre-Authorized Self-Determined Plan Contribution made pursuant to an Education Savings Plan Agreement for which a Trade Confirmation was sent to the customer in respect of the Initial Contribution by the customer, in accordance with the Trade Confirmation Requirement, provided that:

- (E) in the case of each such transaction, the Filer sends to the customer the corresponding Annual Statement of Account, as described to in paragraph 24, above; and
- (F) for each Jurisdiction, this decision shall terminate one year after the coming into force of any rule or other regulation under the Legislation of the Jurisdiction that relates, in whole or in part, to the Trade Confirmation Requirement in the Legislation applicable to dealers that are registered under the Legislation as scholarship plan dealers.

“Suresh Thakrar”
Commissioner
Ontario Securities Commission

“Paul K. Bates”
Commissioner
Ontario Securities Commission

2.1.5 Cusac Gold Mines Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – General -- An issuer wants relief from the requirements in NI 51-102 to prepare, file and deliver annual financial statements, MD&A, and annual information form for a particular period. The issuer will complete an arrangement under corporate legislation on or shortly after the date it is required to file its annual financial statements, MD&A and AIF. Under the arrangement, the issuer's security holders will exchange their securities for securities of another reporting issuer and the issuer will become a wholly-owned subsidiary of that other reporting issuer. The issuer's security holders have already approved the arrangement in accordance with the requirements of corporate legislation.

Mutual Reliance Review System for Exemptive Relief Applications – Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s.4.5 - An issuer wants relief from the requirement in part 2 of MI 52-109 to file annual certificates - The issuer has applied for and received an exemption from filing its annual financial statements, MD&A and AIF.

Applicable Legislative Provisions

National Instrument 51-102, ss. 4.1, 4.2, 5.1, 6.1, 6.2, 13.1. Multilateral Instrument 52-109, ss. 2.1, 2.2, 4.5.

Applicable Ontario Statutory Provisions

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

March 31, 2008

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

AND

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

AND

**IN THE MATTER OF
CUSAC GOLD MINES LTD. (the Issuer)**

MRRS DECISION

Background

The local securities regulatory authority or regulator (each a Decision Maker) in each of the Jurisdictions has received an application from the Issuer for a decision under the

securities legislation of the Jurisdictions (the Legislation) that the Issuer be exempted from the requirements of

- (a) National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to prepare, file and, where appropriate, deliver to shareholders annual financial statement and audit report (together the Annual Statements), management's analysis and discussion and related annual information form for the year ended December 31, 2007 (with the Annual Statements, collectively referred to as the Annual Filings), and
- (b) Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109) to file certificates (the Officer Certificates) relating to the Annual Statements (together with the Annual Filings the Requested Relief).

Application of Principal Regulator System

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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 Issuer:

1. the Issuer is a corporation organized under the laws of British Columbia, with its head office at 1600 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2, and is a reporting issuer in British Columbia and Ontario;
2. the Issuer's shares are listed on the Toronto Stock Exchange (the Exchange) and are also quoted on the OTC Bulletin Board;
3. on November 9, 2007 Hawthorne Gold Corp. (Hawthorne) and the Issuer announced the proposed plan of arrangement (the Arrangement), pursuant to which Hawthorne will acquire all issued shares and convertible securities of the Issuer in exchange for shares of Hawthorne;

4. the interim court order for the Arrangement was obtained from the British Columbia Supreme Court on February 15, 2008;
5. meetings of debentureholders and shareholders of the Issuer were held March 14, 2008, at which meetings such securityholders approved the Arrangement;
6. details regarding the meetings and the Arrangement, as well as the recent financial difficulties of the Issuer, are set out in the Issuer's information circular dated February 13, 2008 which was distributed to its securityholders and filed on SEDAR;
7. the final court order approving the Arrangement was obtained from the British Columbia Supreme Court on March 25, 2008;
8. the Issuer received one notice of dissent from a shareholder pursuant to the provisions of the *Business Corporations Act* (British Columbia) and has agreed with that shareholder as to the fair market value to be paid to her for her shares of the Issuer;
9. letters of transmittal are expected to be mailed to the Issuer's shareholders during the week of March 24, 2008;
10. the Issuer intends to file the required notice as soon as possible after closing of the Arrangement in order to withdraw its shares from quotation on the OTC Bulletin Board;
11. the conditional approval letter from the Exchange states that it is anticipated that delisting of the Issuer's shares will occur two to three business days after the later of mailing of transmittal letters and submission to the Exchange of the usual closing documentation;
12. it is anticipated that the closing of the Arrangement will occur on or about March 31, 2008 and the Issuer anticipates forwarding closing documentation to the Exchange as soon as practicable thereafter to effect the delisting;
13. as a result of the Arrangement, the Issuer will become a wholly-owned subsidiary of Hawthorne;
14. it is intended that, as soon as practicable after the closing of the Arrangement and the delisting of its shares, the Issuer will voluntarily surrender its reporting issuer status in British Columbia under BC Instrument 11-502 and will apply to the Ontario Securities Commission for an order that the Issuer has ceased to be a reporting issuer in Ontario;
15. pursuant to NI 51-102 and MI 52-109 the Issuer is required to make the Annual Filings, and the

Officer Certificate thereon, within 90 days after the year end;

16. although the Issuer is endeavouring to prepare its annual financial statements for the year ended December 31, 2007, it is unlikely that those statements will be prepared, or the audit concluded, by the end of March, 2008 and the Issuer expects that it will be unable to finalize its Annual Statements, prepare its annual information form and make the Annual Filings and Officer Certificate within the time required under the Legislation;
17. the Issuer is experiencing significant financial difficulties and is seeking ways to conserve cash and limit expenses and the Requested Relief would allow the Issuer to limit its expenses related to year-end reporting.

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.

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

2.1.6 Burgundy Asset Management Ltd. and Burgundy Total Return Bond Fund

a class, next determined after the receipt by the mutual fund of the order (the Requested Relief).

Headnote

Mutual funds exempted from the sale and redemption of securities of a mutual fund restriction to allow the mutual funds to process subscriptions and redemptions based on the next determined weekly net asset value, instead of the next determined net asset value - The mutual fund group offers weekly subscription and redemption of their units - Investors of the mutual funds are invested through managed accounts with the funds' portfolio manager.

Statutes Cited

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

Rules Cited

National Instrument 81-102 - Mutual Funds, ss. 9.3, 10.3, 19.1.

April, 17, 2008

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

AND

**IN THE MATTER OF
BURGUNDY ASSET MANAGEMENT LTD.
(the Applicant)**

AND

**IN THE MATTER OF
BURGUNDY TOTAL RETURN BOND FUND
(the Fund)**

DECISION

Background

The Ontario Securities Commission (the OSC) received an application from the Applicant for a decision, pursuant to section 19.1 of NI 81-102, exempting the Fund and any other investment fund managed by the Applicant that is a reporting issuer (collectively, with the Fund, the Burgundy Funds) from:

- (a) the requirement in section 9.3 that the issue price of a security of a mutual fund to which a purchase order pertains shall be the net asset value per security of that class, or series of a class, next determined after the receipt by the mutual fund of the order; and
- (b) the requirement in section 10.3 that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of

Representations

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

- (a) The Applicant is a corporation incorporated under the laws of Ontario. The Applicant is the manager, trustee and investment adviser of the Fund and will be the manager, trustee and investment adviser of any other Burgundy Funds.
- (b) The Applicant is registered under the securities legislation of Ontario as an adviser in the categories of investment counsel and portfolio manager.
- (c) The Fund is a mutual fund trust governed by a Master Declaration of Trust under the laws of Ontario.
- (d) The Fund is a reporting issuer in Ontario pursuant to a current simplified prospectus and annual information form dated July 31, 2007, as amended and restated on September 18, 2007.
- (e) The Fund and any other Burgundy Funds are only available to clients of the Applicant who have executed a discretionary investment management account agreement with the Applicant.
- (f) The Applicant manages its client's assets by investing them in securities, which may include units of the Fund, all as appropriate for each client's investment objectives and risk tolerance.
- (g) The Fund has amended its simplified prospectus and has provided 60 days written notice to its unitholders of its intention to commence using specified derivatives.
- (h) Paragraph 14.2(3) of National Instrument 81-106 *Investment Fund Continuous Disclosure* requires that the net asset value of an investment fund be calculated at least once every business day if the investment fund will use specified derivatives and at least once in each week if the investment fund will not use specified derivatives.
- (i) Currently, all of the Applicant's investment funds calculate their net asset value on a weekly basis, as none of them use specified derivatives.
- (j) Once the Fund or any other Burgundy Fund commences using derivatives, such fund will be required to calculate its net asset value on a daily basis.
- (k) The Applicant proposes to calculate the net asset value for the Fund and any other Burgundy Fund that uses derivatives on a daily basis in order to

meet its obligations under NI 81-102 regarding the use of derivatives, including the obligation to daily mark-to-market the value of its derivatives.

- (l) Sections 9.3 and 10.3 of NI 81-102 require that the purchase or redemption price of units of a fund be the net asset value per unit next determined after receipt, by the fund, of the purchase or redemption order. If the Fund moves to a daily net asset value calculation for the purposes of valuing its derivatives, it will be forced to accept purchases and redemptions on a daily basis.
- (m) The Applicant has structured its investment fund operations so that it can consolidate all purchase and redemption orders by its managed accounts into one efficient weekly transaction (Weekly Purchase/Redemption Date). It has determined that effecting such purchases and redemptions on a weekly basis strikes the best balance between the needs of a client to invest or access its assets in a timely manner, and the need to minimize the impact of such transactions on other clients in its investment funds.
- (n) The Applicant is concerned that more frequent flows of assets into, and out of, its investment funds will impose greater transactional costs on its clients in the investment funds by increasing brokerage charges associated with meeting the purchase and redemption orders.
- (o) As the Applicant has discretionary authority over all of the assets of its clients who invest in the Burgundy Funds and as the Applicant is also the portfolio manager of the Burgundy Funds, any risks to its clients that are associated with a Burgundy Fund's use of derivatives will be managed at the portfolio level of the Burgundy Fund, rather than at the managed account level.

- (iii) the only investors in the Burgundy Fund are those that have signed a discretionary management agreement with the Applicant.

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

Decision

The Director is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief and orders that the Requested Relief be granted to the Burgundy Funds, provided that:

- (i) each Burgundy Fund that uses derivatives calculates its net asset value, and values its derivative positions, on a daily basis;
- (ii) each Burgundy Fund to which a purchase or redemption order pertains, uses the net asset value per security, determined as of the next Weekly Purchase/Redemption Date, to calculate the issue and redemption price of its securities; and

2.1.7 TransForce Income Fund - s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – 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., ss. 1(10).

June 20, 2008

TransForce Income Fund
8585, Trans-Canada Highway, Suite 300
Saint-Laurent (Québec)
H4S 1Z6

Dear Madame:

Re: TransForce Income Fund (the Applicant) - application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer

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 is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
- (b) no securities of the Applicant are traded on a marketplace as defined in *Regulation 21-101 respecting Marketplace Operation*;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- (d) 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's status as a reporting issuer is revoked.

"Marie-Christine Barrette"
Manager, Financial Information
Autorité des marchés financiers

2.1.8 KC Genpar Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from take-over bid requirements in connection with purchases made pursuant to a liquidity option granted at the time of the initial distribution – filers not reporting issuers but not limited to less than 50 security holders – terms of option fully disclosed at time of initial distributions – option offered to all purchases on equal terms – relief granted subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93-99.1, 104(2)(c).

July 7, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, MANITOBA,
SASKATCHEWAN, ONTARIO, QUÉBEC,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
NEW BRUNSWICK, 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
KC GENPAR INC. (KGP)
NYLCAP SELECT MANAGER CANADA FUND, L.P.
(NSMCF), NYLCAP SELECT MANAGER CANADA
FEEDER FUND, L.P. (NSMCFF), NEWBURY
SECONDARY FUND L.P. (NSF)
(the Filers)**

MRRS DECISION

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that the formal take-over bid requirements in the Legislation (collectively, the Take-Over Bid Provisions) shall not apply to purchases of limited partnership units of NSMCF or NSMCFF (the Units) by NSF pursuant to the proposed Liquidity Option (as defined below) of 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. As used in this decision “published market” means, as to any class of securities, any market on which such securities are traded if the prices at which they have been traded on that market are regularly published in a newspaper or business or financial publication of general and regular paid circulation.

Representations

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

1. KGP is a corporation continued and existing under the *Canada Business Corporations Act*. KGP has an office in Ontario.
2. Each of NSMCF and NSMCFF (together, the Funds) is or will be a limited partnership formed under the laws of the Province of Ontario.
3. The Funds will offer Units by private placement to accredited investors across Canada.
4. The investment objective of the Funds is to invest directly or indirectly as a limited partner in NYLCAP Select Manager Cayman Fund, L.P., a foreign-based private equity fund of funds (the Cayman Fund). The Cayman Fund is a feeder fund serving as a limited partner in NYLCAP Select Manager Fund, L.P., a Delaware limited partnership (the Bottom Fund). NSMCFF is to be a limited partner of NSMCF, NSMCF is to be a limited partner of the Cayman Fund and the Cayman Fund is to be a limited partner of the Bottom Fund.
5. Neither of the Funds is or is anticipated to be a reporting issuer and there will be no published market for the Units.
6. The minimum investment in NSMCFF will be US\$150,000, which is to be paid in full on closing. The minimum investment in NSMCF will be US\$250,000, which is to be paid as and when called for by KGP as the general partner of the Funds.
7. NSF is a private investment fund formed under the laws of Delaware that acquires limited partnership interests in established leveraged buyout, venture capital and mezzanine funds, primarily in secondary transactions. NSF is not in the

business of creating a market for restricted securities.

payable on such date and each one-year anniversary thereafter.

8. As an added benefit for limited partners of the Funds (Limited Partners), whose Units will be restricted securities and would otherwise be highly illiquid, Limited Partners will be provided with a liquidity option pursuant to which NSF will agree to purchase Units from Limited Partners starting on the second anniversary of the initial closing of the applicable Fund and continuing for approximately ten years, subject to extension by agreement of NSF and KGP (the Liquidity Option).

(d) Any Limited Partner that does not elect to participate in the Liquidity Option at closing will not have the opportunity thereafter to do so without obtaining NSF's and KGP's consent.

9. The existence and terms of the Liquidity Option will be disclosed in the offering memorandum of each Fund (each, an OM).

(e) The Liquidity Fee will be reduced as follows: (i) on the fifth anniversary of the final closing of the relevant Fund (the Final Closing), the Liquidity Fee will be reduced by an amount equal to 10% of the commitment of such participating Limited Partner, and (ii) on each anniversary thereafter to and including the eleventh anniversary of the Final Closing, the Liquidity Fee will further be reduced by an amount equal to 10% of such commitment.

10. The principal terms of the Liquidity Option are as follows:

(a) Limited Partners wishing to have the benefit of the Liquidity Option will be required to "opt in" to the Liquidity Option by checking the appropriate box on their subscription agreement and paying the Liquidity Fee (as defined below).

(f) Any participating Limited Partner that defaults in paying the Liquidity Fee when due in a timely manner will automatically lose its right to sell its Units to NSF pursuant to the Liquidity Option and surrender any amounts paid by it with respect to the Liquidity Fee.

Fee:

(b) In consideration for providing the Liquidity Option, each participating Limited Partner will be required to pay to its respective Fund, which in turn, will pay to NSF, an annual fee (the Liquidity Fee) in respect of such Limited Partner equal to: the product of (x) such Limited Partner's commitment, subject to reduction of the portion of the commitment to be applied in the calculation as set out below, multiplied by (y) 0.10%. The aggregate annual Liquidity Fee payable by the Funds to NSF is the aggregate of such annual Liquidity Fees payable by all participating Limited Partners. Once a participating Limited Partner sells its Units to NSF, or defaults in its obligation to pay the Liquidity Fee, its investment will no longer be included in calculating the aggregate annual Liquidity Fee payable by the Funds. The obligation of a participating Limited Partner to pay the Liquidity Fee is an additional obligation of the Limited Partner, who will also be obligated to pay the full amount of the Limited Partner's investment (that is initially, US\$1,000 per Unit).

Term:

(g) A participating Limited Partner may require NSF to purchase such Limited Partner's Units at any time commencing on the earlier of (i) the second anniversary of the Final Closing and (ii) any such time when the purchase price is greater than zero and the obligations of NSF to make such purchase will terminate on the earlier of the twelfth anniversary of the Final Closing and January 1, 2020.

Purchase Price:

(h) At the request of any Limited Partner electing in its subscription documents to the Fund to participate in the opportunity to take advantage of this Liquidity Option, NSF will provide a written offer to purchase such Limited Partner's Units at a US dollar price of 90% of a Limited Partner's Exposure, less its Remaining Commitment. "Exposure" means, in respect of a Unit, the net asset value (NAV) of the Unit plus such Limited Partner's Remaining Commitment. "Remaining Commitment" means the Limited Partner's original capital commitment to the Fund less capital contribution drawdowns by the relevant Fund. In the one year periods from the

(c) The Liquidity Fee will be payable commencing on the Funds' initial closings, and shall be calculated and

eighth, ninth, tenth and eleventh anniversaries of the Final Closing, the purchase price will be calculated as set forth above, except that rather than applying the 90% amount, 85%, 80%, 75% and 70% will be applied respectively. The purchase price paid for the Units will be adjusted upward on a dollar-for-dollar basis to account for any capital contributions made by the selling Limited Partner between signing of the definitive sale agreement and the closing of the sale, and reduced downward on a dollar-for-dollar basis for any distributions made by the respective Fund to the selling Limited Partner between signing of the definitive sale agreement and closing of the sale.

entitlement to exercise under the Liquidity Option, NSF's obligation will be to only purchase Units having an aggregate purchase price of US\$50 million which may affect the number of Units that NSF is obligated to purchase depending on any increase or decrease in NAV of the Units.

Obligation to Purchase:

- (i) NSF's obligation to purchase Units of the Funds will be capped at an aggregate purchase price of US\$50 million. To reduce the likelihood that the Units subject to the Liquidity Option exceeds NSF's obligation to purchase Units, the Funds will not accept elections to participate in the Liquidity Option for more Units than the number of Units having an aggregate NAV of US\$50 million.
- (j) In the event that Limited Partners subscribing for Units having an aggregate NAV of more than US\$50 million elect in their subscription documents to participate in the Liquidity Option, a prorated fraction of the Units of each electing Limited Partner will be accepted into the Liquidity Option at the initial closings of the Funds, such that the aggregate NAV of the Units subject to the Liquidity Option will initially equal US\$50 million. If at the initial closings Limited Partners electing to participate in the Liquidity Option hold Units with an aggregate NAV of less than US\$50 million of Units and one or more subsequent closings of the Funds occur, Limited Partners who subscribe for Units at a subsequent closing may elect in their subscription documents to participate in the Liquidity Option to the extent that the aggregate NAV of Units subject to the Liquidity Option is less than US\$50 million, and participation in the Liquidity Option at any subsequent closing would be prorated as to that remaining availability only among those Limited Partners whose subscriptions are accepted at the particular subsequent closings. Notwithstanding any pro rata

- (k) The Fund will notify NSF if Limited Partners holding Units having an aggregate NAV of more than US\$50 million Units elect in their subscription documents to participate in the Liquidity Option with a view to the possibility of the Liquidity Option being extended by NSF above an aggregate purchase price of US\$50 million, but there is no assurance that there would be any such extension.

- (l) The Liquidity Option is the obligation of NSF. Neither the Funds, KGP, nor any Person, other than NSF, is under any obligation in connection with the Liquidity Option and none of them is responsible for, or has any obligations to the Limited Partners electing to participate in the Liquidity Option in the event of the failure of NSF to provide such liquidity. Neither the Funds, KGP, nor any other Person makes any representation or warranty with respect to the creditworthiness of NSF and/or its ability to fulfill its obligations to provide such liquidity to the Limited Partners.

Expenses:

- (m) A Limited Partner will be responsible for its own expenses incurred in connection with a sale to NSF pursuant to the Liquidity Option.

Timing:

- (n) The closing of the sale of Units on the exercise of the Liquidity Option will not occur until NAV is finally determined, which could be as long as 190 days following the execution of the purchase and sale agreement, a form of which has been approved by KGP and NSF.

- 11. Participation in the Liquidity Option is voluntary. The entitlement to participate in the Liquidity Option will be offered to all Limited Partners whose subscriptions are accepted at the initial closings of the Funds on equal terms. As the Liquidity Option is of limited size, the availability of the entitlement to participate in Liquidity Option for Limited Partners whose subscriptions are accepted at subsequent closings will depend on the extent to which Limited Partners whose

subscriptions were accepted at the prior closings for the Funds elected to participate in the Liquidity Option, but the then remaining availability of the Liquidity Option will be offered to all Limited Partners whose subscriptions are accepted at the subsequent closing for the Fund on equal terms.

12. At such time as there remains 25% of NSF's obligation to purchase Units under the Liquidity Option KGP will deliver a notice to each participating Limited Partner setting out the Units' net asset value and the amount of capacity remaining for purchase under the Liquidity Option.
13. In the event of more than one closing in respect of the sale of Units of the Funds, prospective Limited Partners will be provided with notice of the Units' net asset value and the amount of capacity remaining for purchase under the Liquidity Option as at the time of such subsequent closing.
14. NSF has indicated that it intends to hold the purchased Units until dissolution of the respective Fund. Consequently, as a result of such purchase, NSF will be obligated as a Limited Partner to make capital contributions to and be entitled to receive distributions from the Funds with respect to such Units.
15. While there is no direct relationship between NSF and the Funds an affiliate of the Cayman Fund's investment manager is an investor in NSF. Notwithstanding this relationship, the terms of the Liquidity Option reflect arms' length negotiations and bona fide terms and conditions.
16. The exercise of the Liquidity Option by a number of Limited Partners could result in NSF acquiring 20% or more of the outstanding Units of a particular Fund and as a result the making available of the Liquidity Option would be a take-over bid for the purposes of the Take-Over Bid Provisions.
17. Legislation in many of the Jurisdictions provides an exemption from the Take-Over Bid Provisions with respect to non-reporting issuers if:

- (a) the offeree issuer is not a reporting issuer,
- (b) there is not a published market in respect of the securities that are the subject of the bid, and
- (c) the number of holders of securities of that class is not more than fifty, exclusive of holders who are in the employment of the offeree issuer or any affiliate of the offeree issuer, and exclusive of holders who were formerly in the employment of the offeree issuer or an affiliate of the offeree issuer and who while in

employment were, and have continued after that employment to be, security holders of the offeree issuer.

While neither of the Funds will be reporting issuers and there will be no published market in respect of the Units, as there is no restriction on the number of Limited Partners in either of the Funds, there is no assurance that either of the Funds will have fewer than fifty security holders, and for this reason the Non-Reporting Issuer Exemption will likely not be available in respect of the Liquidity Option.

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:

- (a) the principal terms of the Liquidity Option are as described above and such terms are not amended or extended other than as contemplated in paragraphs 8 and 10(k) above,
- (b) the features of the Liquidity Option will be fully disclosed in the OM of the respective Fund,
- (c) there continues to be no published market for Units,
- (d) neither of the Funds is or becomes a reporting issuer, and
- (e) each Limited Partner is an accredited investor at the time of its purchase of Units.

"James E. A. Turner"

"Suresh Thakrar"

2.1.9 Timbercreek Mortgage Investment Corporation

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – investment fund not using specified derivatives exempted from the requirement to calculate its net asset value at least once in each week, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(a), 17.1.

July 4, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
TIMBERCREEK MORTGAGE INVESTMENT
CORPORATION
(the Filer)**

DECISION

Background

*The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) for an exemption pursuant to section 17.1 of NI 81-106 from the requirement set out in section 14.2(3)(a) of NI 81-106 that the Filer must calculate its net asset value at least once in each week (the “**Exemption Sought**”).*

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

1. the Ontario Securities Commission is the principal regulator for this application; and
2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (“**MI 11-102**”) is intended to be relied upon in the Non-Principal Jurisdictions.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions and MI 11-102 have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. The Filer is a newly-incorporated company established under the laws of the Province of Ontario. The head and registered office and mailing address of the Filer is located at 25 Price Street, Toronto, Ontario M4W 1Z1.
2. The Filer is not in default of securities legislation in any jurisdiction.
3. The Filer filed a final prospectus dated June 25, 2008 (the “**Final Prospectus**”) with the securities regulators in each of the provinces and territories of Canada (other than Quebec) as SEDAR project no. 01262136 and was issued a receipt dated June 26, 2008 in respect thereof.
4. The Filer is a non-redeemable investment fund to which section 14.2(3)(a) of NI 81-106 applies, but is not subject to the requirements of National Instrument 81-102 – Mutual Funds (“**NI 81-102**”). The Filer is not a “mutual fund” because its shareholders are not entitled to receive, on demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer, as contemplated in the definition of “mutual fund” in the securities legislation of the Jurisdictions.
5. The Filer’s investment objective is, with a primary focus on capital preservation, to acquire and maintain a diversified portfolio of mortgage loan investments (“**Mortgage Assets**”) that generates attractive, stable returns in order to permit the Filer to pay monthly distributions to its shareholders.
6. The Filer intends to acquire, following the closing of the Offering (as defined below), two portfolios of Mortgage Assets, in order to establish its initial portfolio of Mortgage Assets (the “**Initial Portfolio Acquisitions**”).
7. The Filer plans to achieve its investment objective by investing in a diversified portfolio of Mortgage Assets (the “**Portfolio**”) consisting primarily of mortgage loans for which the principal amount of the loan, at the time of commitment, together with all other equal and prior ranking mortgages does not exceed 75% of the value of the underlying real property securing the loan that are directly secured by residential (including multi-residential), office, retail and industrial real property across Canada, primarily located in larger urban markets and their surrounding areas, which are typically more liquid and provide less volatile security for mortgage loans.
8. Timbercreek Asset Management Inc. (the “**Fund Manager**”) will act as manager and portfolio

advisor of the Filer. The Fund Manager was incorporated under the laws of Ontario on May 31, 2004. The head office, registered office and principal business address of the Fund Manager is located at 25 Price Street, Toronto, Ontario M4W 1Z1.

9. The Fund Manager has established and, on behalf of the Filer, retained the services of Timbercreek Mortgage Strategies Inc. to provide directly or indirectly through licensed service providers, as applicable, mortgage management and day-to-day mortgage administration services, including the sourcing, structuring and management of secured mortgage investments on behalf of the Filer.
10. The Filer intends to make equal monthly cash distributions by way of dividend to holders of shares of record on the last business day of each month.
11. The Filer will make a public offering (the "**Offering**") of subscription receipts (the "**Subscription Receipts**") in the Jurisdictions.
12. Each Subscription Receipt will entitle the holder thereof to receive, without any further action on the part of the holder thereof and without payment of additional consideration, one Class A share (a "**Class A Share**") of the Filer.
13. The Final Prospectus of the Filer qualifies the distribution to the public of the Subscription Receipts and Class A Shares in the Jurisdictions.
14. The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Class A Shares, subject to the Filer fulfilling all of the requirements of the TSX on or before September 4, 2008, including distribution of the Class A Shares to a minimum number of public holders.
15. The Filer is authorized to issue an unlimited number of Class A Shares, Class B shares ("**Class B Shares**") and voting shares (the "**Voting Shares**"). Before giving effect to the Offering, there are issued and outstanding 100 Voting Shares.

The Class A Shares and Class B Shares are entitled to receive dividends as and when declared by the board of directors of the Filer. The holders of Class A Shares and the holders of Class B Shares are not entitled to vote at meetings of the shareholders of the Filer, other than as required by law or as set forth in the Final Prospectus. The Class A Shares and Class B Shares rank equally with each other and in priority to the Voting Shares with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Filer. Upon the dissolution, liquidation or winding up of the Filer, after satisfaction of all liabilities of

the Filer (or the establishment of reserves or other provision therefor) holders of Class A Shares will be entitled to receive their pro rata portion of the net asset value attributable to the Class A Shares and the holders of Class B Shares will be entitled to receive their pro rata portion of the net asset value attributable to the Class B Shares.

The holders of Voting Shares are not entitled to receive dividends. The holders of the Voting Shares will be entitled to one vote per share. The Voting Shares are redeemable and retractable at a price of \$1.00 per share. The Voting Shares rank subsequent to both the Class A Shares and the Class B Shares with respect to distributions on the dissolution, liquidation or winding-up of the Filer.

16. Commencing in July 2008, a Class A Share may be surrendered for redemption on the last business day of any month, other than October (each a "**Redemption Date**"), by no later than 4:00 p.m. (Toronto time) on the 15th day of such month or the immediately preceding business day in the event that the 15th day is not a business day. Payment of the proceeds of redemption will be made on or before the last business day of the following month (the "**Redemption Payment Date**"). Shareholders whose Class A Shares are surrendered for redemption on a Redemption Date will be entitled to receive a redemption price per Class A Share equal to the lesser of: (i) 95% of the Trading Price (as defined below) of the Class A Shares; and (ii) the Market Price (as defined below). Any declared and unpaid distributions payable on or before a Redemption Date in respect of Class A Shares tendered for redemption on such Redemption Date will also be paid on the Redemption Payment Date. For these purposes, "**Trading Price**" means the weighted average trading price on the TSX or such other stock exchange on which the Class A Shares may be listed (the "**Exchange**") for the ten trading days immediately preceding the relevant Redemption Date; and "**Market Price**" means the closing price of the Class A Shares on the Exchange on the Redemption Date or, if there was no trade during the relevant period preceding a monthly Redemption Date, the average of the last bid and the last asking prices of the Class A Shares on the Exchange for each day during the relevant period.
17. The Class B Shares are redeemable monthly on the same terms as the Class A Shares, provided that the redemption price per Class B Share will be equal to the lesser of: (i) 95% of the Trading Price of the Class A Shares multiplied by the Class B Exchange Ratio (as such term is defined in the Final Prospectus); and (ii) the Market Price multiplied by the Class B Exchange Ratio.
18. Class A Shares may be redeemed on the last business day in October of each year (each, an

- “**Annual Redemption Date**”) at a redemption price per Class A Share equal to the net redemption value of the Filer (“**NRV**”) per Class A Share. Shares must be surrendered for annual redemption by no later than 4:00 p.m. (Toronto time) on October 1st of such year or the immediately preceding business day, in the event that October 1st is not a business day. Payment of the proceeds of annual redemptions will be made on or before the last business day of November.
19. Class B Shares may be redeemed on an Annual Redemption Date at a redemption price per Class B Share equal to the applicable NRV per Class B Share.
20. Under section 14.2(3)(a) of NI 81-106, an investment fund that does not use specified derivatives must calculate its net asset value at least once in each week. The Filer will not engage in derivative transactions for any purpose.
21. The Fund Manager proposes to calculate the net asset value of the Filer (“**NAV**”) at the close of business on the 15th day of each calendar month (or the next business day if the 15th is not a business day) and on the last business day of each calendar month (each being a “**Valuation Date**”), or on such other dates as may be required by applicable laws.
22. The NAV is the value of the consolidated assets of the Filer less (1) the consolidated liabilities of the Filer (including any accrual of performance fee) and (2) the stated capital of the Voting Shares of the Filer (\$100).
23. The Fund Manager proposes to calculate the NRV on each Valuation Date.
24. The NRV will be equal to the sum of the NRV for each class of Shares (for each class, a “**Class Net Redemption Value**”), and will be calculated by the Fund Manager. The Class Net Redemption Value for each class of Shares of the Filer will be calculated by allocating NAV and specific Share class expenses of the Filer to the Class A Shares and Class B Shares, respectively. The net redemption value per Class A Share (the “**NRV per Class A Share**”) will be the quotient obtained by dividing the Class Net Redemption Value of the Class A Shares by the total number of Class A Shares (immediately before any Share redemptions and subscriptions) at the close of business on the relevant Valuation Date. The net redemption value per Class B Share (the “**NRV per Class B Share**”) will be the quotient obtained by dividing the Class Net Redemption Value of the Class B Shares by the total number of Class B Shares (immediately before any Share redemptions and subscriptions) at the close of business on the relevant Valuation Date.

25. The Filer will make available the most recently calculated NAV, NRV per Class A Share and NRV per Class B Share through the internet at www.timbercreekfunds.com.
26. The Final Prospectus discloses that the most recently calculated NAV and the most recently calculated NRV per Class A Share and NRV per Class B Share will be available to the public upon request and will be posted at www.timbercreekfunds.com, together with an explanation of the meaning of NRV and its relation to NAV.

Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted for so long as:

1. the Class A Shares are listed on the TSX; and
2. the Fund Manager calculates the NAV at least twice per calendar month: at the close of business on the 15th day of each calendar month (or the next business day if the 15th day is not a business day) and on the last business day of each calendar month.

“Vera Nunes”
Assistant Manager, Investment Funds
ONTARIO SECURITIES COMMISSION

2.2 Orders

2.2.1 Peter George Lee - ss. 127, 127.1

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

AND

**IN THE MATTER OF
PETER GEORGE LEE**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on July 2, 2008, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act"), accompanied by Staff's Statement of Allegations, in relation to a hearing to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent Peter George Lee ("Lee");

AND WHEREAS the Respondent entered into a settlement agreement dated July 2, 2008 (the "Settlement Agreement") in which the Respondent agreed to a settlement of this proceeding, subject to the approval of the Commission;

AND WHEREAS, in addition to the terms of the order below, Lee has undertaken to consent to an Order made by any provincial or territorial securities regulatory authority in Canada containing either or both of the prohibitions set out in paragraphs 4 and 5 below, as modified to reflect the provisions of the relevant provincial or territorial securities law;

AND UPON reviewing the Settlement Agreement and upon hearing submissions from counsel for Staff and the Respondent;

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

IT IS ORDERED THAT:

1. the Settlement Agreement dated July 2, 2008, attached to this Order as Schedule "1", is hereby approved;
2. Lee is hereby reprimanded;
3. Lee shall resign all positions that he holds as a director or officer of a reporting issuer;
4. Lee is prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 15 years commencing on the date of this order;

5. Lee is prohibited from becoming or acting as a director or officer of any registrant for a period of 15 years commencing on the date of this order;

6. Lee shall pay an administrative penalty of \$13,000 immediately; and

7. Lee shall pay the Commission's costs of the investigation and hearing in the amount of \$2,000 immediately.

DATED at Toronto this 3rd day of July, 2008.

"Suresh Thakrar"

"David L. Knight"

Schedule "1"

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

AND

**IN THE MATTER OF
PETER GEORGE LEE**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing to be issued, the Ontario Securities Commission (the "Commission") will announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of Peter George Lee ("Lee").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding against Lee in accordance with the terms and conditions set out below. Lee consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out below.

PART III – AGREED FACTS

3. Lee agrees with the facts and conclusions set out in Parts III and IV herein.

A. BACKGROUND

i. Peter Lee

4. Lee holds Bachelor of Science and Bachelor of Commerce degrees.
5. In September 1982, he joined the Toronto office of a major national accounting firm and obtained his CA designation in 1985. In 1992, Lee became controller at a home decorating company. In 1997, Lee went to work as the Director of Financial Planning for a national department store.
6. Lee worked as a consultant for HIP Interactive Corporation ("HIP") to advise management and directors on potential acquisitions. In September or October of 2001, Lee joined the company full time as the company's CFO.
7. In May 2005 Lee left HIP and is now self-employed providing consulting services.

ii. HIP Interactive Corporation

8. HIP was incorporated in December 1999, operating principally out of Vancouver, Stratford, Mississauga and Montreal. It had expanded through a series of amalgamations of 15 to 16 companies.
 9. HIP provided electronic entertainment products, distributed video and computer games and movies. It also developed its own line of console accessories and video games.
 10. HIP was formed into a number of divisions:
 - (a) The Video Games division generated about \$250 to 260 million in sales. It was responsible for the distribution of first party products such as consoles games and accessories;
 - (b) The PC Games division distributed software developed by other publishers and generated about \$45 to 50 million in sales;
 - (c) HIP started its own movie distribution business in March or April of 2002. The Movies division generated about \$60 million in sales and had its own accounting department and system;
 - (d) HIP Coin was a video arcade business. It provided equipment to places like the CN Tower where it placed arcade machines and shared the revenues with the locations. HIP Coin generated about \$3 million in gross revenues, and had its own accounting department;
 - (e) HIP Gear sold video games accessories. HIP Gear generated about \$20 million in sales during 2004/2005. Accounting for HIP Gear was carried out by the Video Games Division.
 11. HIP had a corporate controller who managed, among other things, the corporate consolidation process and the corporate accounting. The controller drafted the quarterly financial statements and Management Discussion and Analysis ("MD&A") for management review and approval. HIP's year-end was March 31st.
 12. On or about the fall of 2002, HIP implemented a new software program that the company used to manage its operational and reporting needs.
- iii. Failure of HIP**
13. On July 8, 2005, HIP announced that it was in default under the terms of its secured loan facility with Congress Financial Corporation (Canada) as

a result of liquidity issues unrelated to the accounting irregularities described below.

14. On July 11, 2005, pursuant to an application by Congress Financial Corporation (Canada) under Section 47(1) of the *Bankruptcy and Insolvency Act*, the Ontario Superior Court of Justice appointed Ernst & Young LLP ("E&Y") the interim receivers for HIP following the failed discussions with a third party to provide interim relief in respect of HIP's immediate financing needs.

iv. Lee Self-Reporting - The Accounting Irregularities

15. In a letter dated October 3, 2005, Lee reported himself to the Professional Conduct Committee ("PCC") of the Institute of Chartered Accountants of Ontario ("ICAO"), pursuant to ICAO's Rules of Professional Conduct. In his reporting letter, he described his involvement in accounting irregularities at HIP.
16. Lee advised the PCC that he was aware, from at least July 2004, that the Video Games Division's inventory was overstated by \$1.3 million. This overstatement was caused by an accumulation of errors occurring during the period from the new software implementation date in the fall of 2002 to July 2004. The errors related to a malfunctioning of the new software program implemented at HIP in or about September 2002.
17. The new program had created inventory warehouse locations, referred to as VTR and VMR. In certain circumstances the system recorded inventory in either location, even though the inventory did not exist.
18. In his correspondence of October 3, 2005, Lee advised the PCC that, although he was aware of the inventory overstatement he took no steps to advise the CEO or the Board and instead instructed staff to hide the errors made.
19. By Order dated May 23, 2007, following charges issued February 21, 2007 against Lee, the ICAO Disciplinary Committee ("DC") sanctioned Lee for his conduct as described herein. The DC ordered publicly that Lee be reprimanded, that he pay a fine of \$15,000 and costs of \$10,000, and that he be suspended from membership in ICAO for 12 months.

B. THE ACCOUNTING ERROR AND CONCEALMENT

i. The scheme to conceal the \$1.3 million inventory error

20. In July 2004, HIP's Director of Purchasing advised Lee that the inventory balance was overstated in the General Ledger ("G/L") by approximately \$1.3

million. As stated in the above, the overstatement primarily related to inventory being recorded by the new software in HIP's perpetual inventory that didn't actually exist. While it is unclear who first coined the term, this inventory was referred to as "Virtual Inventory" by those, including Lee, who were aware of it.

21. Upon learning about the existence of the Virtual Inventory, Lee instructed HIP's IT specialist, who was most familiar with the new program, to investigate why the system was recording non-existent inventory.
22. The IT specialist identified three scenarios under which the system would record the Virtual Inventory in HIP's perpetual records. Those reasons related to the recording of price adjustments, quantity adjustments and customer short-shipments.
23. At no time did Lee advise HIP's CEO and President, the Board of Directors, the Audit Committee or the auditors of the \$1.3 million overstatement in inventory, despite receiving questions from the Board of Directors with respect to the increasing inventory balance during a Board meeting on August 10, 2004.
24. Lee did not instruct anyone to correct the G/L balance as at June 30, 2004. Therefore, Lee was aware that the financial statements prepared for the first quarter, ended June 30, 2004, reflected the \$1.3 million overstatement in inventory.
25. During July 2004, an additional \$700,000 of Virtual Inventory had accumulated. The Virtual Inventory was now approaching \$2 million. At Lee's instructions, the additional \$700,000 of Virtual Inventory was written-off in July.
26. By September 30, 2004, the end of the second quarter, the G/L balance was still incorrect as a result of the continuing inventory overstatement of \$1.3 million. Lee was aware that the financial statements for the quarter-ended September 30, 2004 reflected the inventory overstatement.
27. Acting on Lee's instructions, the IT Specialist wrote off the accumulated \$1.3 million in Virtual Inventory in each of the months from October to December 2004.
29. Lee had decided that the best course of action was to eliminate the \$1.3 million inventory error in the biggest quarter (Q3) where no one would notice the correction. Lee believed that if they put through the adjustment for \$1.3 million in a lump sum it would be noticed and this would create a significant negative impact on the company. He therefore instructed staff to make the adjustment in the third quarter over 3 months.

30. In the course of conducting the audit of HIP's financial statements, HIP's auditors had set materiality for the relevant time at \$125,000.

31. By writing off the inventory in October, November and December Lee hoped to conceal the inventory overstatement over three quarters. In doing so he knew that the Q1 and Q2 financial statements of HIP, which had been released, were materially false.

32. Other than in receiving his regular remuneration from HIP, Lee did not profit from his conduct described herein.

ii. The False Certificate of Interim Filings During Transition Period - Q1

33. Although Lee knew that inventory was overstated by \$1.3 million at the end of Q1 (June 30, 2004), he approved the first quarter financial statements and signed the Certificate of Interim Filings, dated August 2004 and filed with the Commission, wherein he certified that "...the interim filings do not contain any untrue statement of a material fact..." and that "...the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer...". Lee knew that these statements were untrue as a result of the \$1.3 million inventory error. Lee, therefore, made a statement in the Certificates of Interim Filing which he knew to be false and allowed the false interim financial statements to be filed with the Commission.

iii. The False Certificate of Interim Filings During Transition Period - Q2

34. Lee approved the second quarter financial statements (September 30, 2004) and signed the Certificate of Interim Filings, dated November 15, 2004 and filed with the Commission, wherein he again certified that "...the interim filings do not contain any untrue statement of a material fact..." and that "...the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer...". Lee knew that these statements were untrue as a result of the \$1.3 million inventory error. Lee, therefore, made a statement in the Certificates of Interim Filing which he knew to be false and allowed the false interim financial statements to be filed with the Commission.

iv. The Management Representation Letter to the Auditors

35. For the quarter ended September 30, 2004 Lee signed the Management Representation letter to

HIP's auditors. In this letter, Lee represented that the interim financial statements were fairly stated knowing that they were not because of the inventory overstatement.

36. Lee also made a series of representations which, given the issue with respect to the \$1.3 million inventory error, were untrue, including the representation that "...there are no significant and unusual transactions that have occurred..." and "...there are no significant deficiencies, including material weaknesses, in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarize and report financial data."

v. Investigation

37. On April 11, 2005 members of the HIP Board raised questions about the nature of the adjustment to inventory that took place during the third quarter. In response Lee prepared a memo describing the reasons why Lee did not disclose the overstatement of inventory but instead embarked upon a scheme to conceal the error and write it down in Q3.

38. The auditors were engaged by the Board to investigate the nature and extent of the error. The auditors prepared a report of their findings, in which they stated that there was "a deliberate attempt to deceive management, auditors and securities regulators re: VTR by Peter Lee".

39. The auditors issued draft financial statements for the year ended March 31, 2005, which were presented to the Board in June 2005. However, the financial statements had not been finalized prior to the appointment of Ernst & Young LLP ("E&Y") as the interim receivers for HIP on July 11, 2005.

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

40. By engaging in the conduct described above, Lee has breached Ontario securities law by contravening s. 122(1)(b) of the *Act* and has acted contrary to the public interest.

PART V – RESPONDENTS' POSITION

41. It is Lee's position that he believed that if the error with respect to inventory surfaced it would have a significant detrimental effect on the business of HIP.

PART VI – TERMS OF SETTLEMENT

42. Lee agrees to the terms of settlement listed below.
43. The Commission will make an order pursuant to s. 127(1) and s. 127.1:
- (a) Approving the settlement agreement;
 - (b) that Lee be reprimanded;
 - (c) that Lee resign all positions that he holds as a director or officer of a reporting issuer;
 - (d) that Lee be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 15 years commencing on the date of the Commission's order;
 - (e) that Lee be prohibited from becoming or acting as a director or officer of any registrant for a period of 15 years commencing on the date of the Commission's order;
 - (f) that Lee pay an administrative penalty of \$13,000; and
 - (g) that Lee pay the Commission's costs of the investigation and hearing in the amount of \$2,000.
44. Lee undertakes that he will consent to an Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in paragraphs 43(d) and (e) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VII – STAFF COMMITMENT

45. If this agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in relation to the facts set out in Part III of this agreement, subject to the provisions of paragraph 46 below.
46. If this settlement agreement is approved by the Commission and at any subsequent time Lee fails to honour the terms of the settlement set out in paragraphs 42, 43, 44, and 50, Staff reserve the right to bring proceedings under Ontario securities law against Lee based on, but not limited to, the facts set out in Part III of this settlement agreement, as well as the as the breach of the settlement agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

47. Approval of this settlement will be sought at a public hearing before the Commission, in accordance with the procedures set out in this settlement agreement and the Commission's Rules of Practice.
48. Staff and Lee agree that this settlement agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Lee's conduct in this matter, unless the parties agree that further facts should be submitted at the Settlement Hearing.
49. If this settlement agreement is approved by the Commission, Lee agrees to waive his rights to a full hearing, judicial review, or appeal of this matter under the *Act*.
50. If this settlement agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this settlement agreement.
51. Whether or not this settlement agreement is approved by the Commission, Lee agrees that he will not, in any proceeding, refer to or rely upon this agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART IX – DISCLOSURE OF AGREEMENT

52. If, for any reason whatsoever, this settlement agreement is not approved by the Commission, or an order in the form attached as Schedule "A" to this settlement agreement is not made by the Commission:
- i. this settlement agreement and its terms, including all discussions and negotiations between Staff and Lee leading up to their presentation at the Settlement Hearing, shall be without prejudice to Staff and Lee; and
 - ii. each of Staff and Lee will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations to be contained in the Statement of Allegations, unaffected by this agreement or the settlement discussions/negotiations.
53. The terms of this settlement agreement will be treated as confidential by both parties until approved by the Commission. Any obligations of confidentiality will terminate upon approval of this settlement agreement by the Commission. The

terms of this settlement agreement will be treated as confidential forever if this settlement agreement is not approved for any reason whatsoever by the Commission, except with the written consent of both Lee and Staff or as may be required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

- 54. This agreement may be signed in one or more counterparts which together will constitute a binding agreement.
- 55. A facsimile copy of any signature will be as effective as an original signature.

Dated this 2nd day of July, 2008.

STAFF OF THE ONTARIO SECURITIES COMMISSION

“Michael Watson”
Director, Enforcement Branch

PETER GEORGE LEE

“P G Lee”
Peter George Lee

“Cynthia Amsterdam”
Witness

Schedule “A”

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

AND

**IN THE MATTER OF
PETER GEORGE LEE**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on July 2, 2008, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the “Act”), accompanied by Staff’s Statement of Allegations, in relation to a hearing to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent Peter George Lee (“Lee”);

AND WHEREAS the Respondent entered into a settlement agreement dated July 2, 2008 (the “Settlement Agreement”) in which the Respondent agreed to a settlement of this proceeding, subject to the approval of the Commission;

AND WHEREAS, in addition to the terms of the order below, Lee has undertaken to consent to an Order made by any provincial or territorial securities regulatory authority in Canada containing either or both of the prohibitions set out in paragraphs 4 and 5 below, as modified to reflect the provisions of the relevant provincial or territorial securities law;

AND UPON reviewing the Settlement Agreement and upon hearing submissions from counsel for Staff and the Respondent;

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

IT IS ORDERED THAT:

- 1. the Settlement Agreement dated July 2, 2008, attached to this Order as Schedule “1”, is hereby approved;
- 2. Lee is hereby reprimanded;
- 3. Lee shall resign all positions that he holds as a director or officer of a reporting issuer;
- 4. Lee is prohibited from becoming or acting as a director or officer of any reporting issuer for a period of 15 years commencing on the date of this order;
- 5. Lee is prohibited from becoming or acting as a director or officer of any registrant

- for a period of 15 years commencing on the date of this order;
6. Lee shall pay an administrative penalty of \$13,000 immediately; and
7. Lee shall pay the Commission's costs of the investigation and hearing in the amount of \$2,000 immediately.

DATED at Toronto this 3rd day of July, 2008.

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

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

AND

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

**ORDER
(Section 127)**

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

AND WHEREAS on January 18, 2008, Staff of the Commission ("Staff") and counsel for the Respondents attended before the Commission for a first appearance on this matter;

AND WHEREAS the hearing was adjourned to Wednesday, March 5, 2008 at 10:00 a.m. to be spoken to, or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission;

AND WHEREAS Staff requested and the Respondents consented to a further adjournment of this matter to April 16, 2008 at 10:00 a.m.;

AND WHEREAS Staff requested and the Respondents consented to a further adjournment of this matter to June 12, 2008 at 10:00 a.m.;

AND WHEREAS on June 27, 2008 the Commission ordered, on consent of the parties, that the hearing was scheduled for October 20 to October 24, 2008 inclusive;

AND WHEREAS on July 3, 2008, Staff brought a notice of motion for an adjournment because one of Staff's material witnesses is unavailable for the October 2008 hearing dates;

AND WHEREAS on July 7, 2008, Staff and counsel for the Respondents appeared, and the Panel heard submissions with respect to the adjournment motion;

AND WHEREAS the Commission considers it to be in the public interest;

IT IS HEREBY ORDERED that the hearing on the merits in this matter is scheduled, on the consent of the parties, to commence September 21, 2009 and proceed through September 25, 2009.

DATED at Toronto this 7th day of July, 2008.

“James E. A. Turner”

“Suresh Thakrar”

**2.2.3 Frontenac Mortgage Investment Corporation
and W.A. Robinson & Associates Ltd.**

Headnote

Exemptive Relief Application – Extension of lapse date to allow sufficient time for staff and the applicant to resolve an application.

Applicable Legislative Provisions

Securities Act (Ontario), s. 62(5).

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

AND

**IN THE MATTER OF
W.A. ROBINSON & ASSOCIATES LTD.
(the “Manager”)**

AND

**IN THE MATTER OF
FRONTENAC MORTGAGE INVESTMENT
CORPORATION
(the “Fund”)**

ORDER

UPON an application (the “Application”) from the Manager on behalf of the Fund for an order pursuant to subsection 62(5) of the Act that the time limit pertaining to the distribution of common shares of a non-redeemable investment fund under the current long-form prospectus of the Fund (the “Prospectus”) be extended to allow additional time for the Ontario Securities Commission (the “Commission”) to issue a final receipt in respect of the Prospectus;

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

AND UPON the Manager having represented as follows:

(1) The Manager is a corporation governed under the laws of Ontario. The Manager is the manager of, and portfolio adviser, to the Fund.

(2) The Fund is a non-redeemable investment fund which carries on business as a mortgage investment corporation, as defined in the *Income Tax Act* (Canada), established by the Manager under the *Canada Business Corporations Act*.

(3) The Fund is a reporting issuer under the Act and is not in default of any requirements of the Act or the Regulations made thereunder.

(4) Pursuant to section 62(1) of the Act, the lapse date for distribution of the common shares of the Fund is June 15,

2008 (the "Lapse Date"). Pursuant to sections 62(2) and (3) of the Act, distribution of the Fund's common shares may continue to July 7, 2008 (the "Extended Lapse Date") if the deadlines set forth in section 62(2) are met.

(5) Under SEDAR Project No. 1268478, a *pro forma* prospectus for the common shares of the Fund was filed in Ontario on May 16, 2008 and a final prospectus was filed on June 25, 2008, in conformance with the deadlines set out in sections 62(2)(a) and (b), respectively, of the Act.

(6) The Manager has received extensive comments from Commission staff and, despite diligent efforts to meet the timelines based on the Lapse Date, a final receipt for the renewal Prospectus will likely not be issued on or before the Extended Lapse Date.

(7) Furthermore, on March 17, 2008, the Commission adopted National Instrument 41-101 (the "Instrument"). Part 14 of the Instrument introduces a requirement for investment funds to appoint a custodian for their portfolio assets. As a mortgage investment corporation and a non-redeemable investment fund, the Fund was not previously subject to such requirement. The Fund has filed a request for exemptive relief from Part 14 of the Instrument pursuant to section 19 of the Instrument. In parallel, the Fund has initiated discussions with a potential custodian to determine the feasibility, from both pricing and operational perspectives, of the appointment of a custodian.

(8) The Manager requires more time to address Commission staff's extensive comments on the Renewal Prospectus. The Manager also requires more time in order to identify a suitable custodian which will meet the requirements of the Instrument and be able to competently handle the transacting of mortgages, which is the Fund's principal portfolio asset.

(9) Since the date of the Prospectus, no material change has occurred and no amendments to the Prospectus have been made. Accordingly, the Prospectus represents up to date information regarding the Fund offered therein. The extension requested will not materially affect the currency or accuracy of the information contained in the Prospectus and accordingly will not be prejudicial to the public interest.

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

IT IS ORDERED pursuant to subsection 62(5) of the Act that the time limit provided by section 62(2)(c) of the Act as it applies to the distribution of the common shares of the Fund pursuant to the Prospectus is hereby extended to August 8, 2008 in order to allow additional time for the Commission to issue a final receipt in respect of the Prospectus;

Dated at Toronto, Ontario, July 4, 2008.

"Vera Nunes"
Assistant Manager
Investment Funds Branch

2.2.4 Canyon Resources Corporation - Clause 1(10)(b)

Headnote

Order pursuant to subsection 1(10)(b) of the Securities Act (Ontario) - Application by a reporting issuer for an order that it is not a reporting issuer in Ontario - Issuer in default of certain continuous disclosure requirements - Applicant has no publicly held securities - Requested relief granted.

Applicable Legislative Provisions

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

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

AND

**IN THE MATTER OF
CANYON RESOURCES CORPORATION**

**ORDER
(Clause 1(10)(b))**

UPON the application (the **Application**) of Canyon Resources Corporation (the **Applicant**) for an order pursuant to clause 1(10)(b) of the Act that the Applicant is not a reporting issuer for the purposes of Ontario securities law (the **Requested Relief**);

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant is a Colorado-based metals exploration company organized under the laws of the State of Delaware in 1979. The Applicant's head office is at 14142 Denver West Parkway, Suite 250, Golden, Colorado 80401.
2. The Applicant is a reporting issuer in Ontario. The only other jurisdiction where the Applicant was a reporting issuer was British Columbia. The Applicant has provided the notice contemplated by British Columbia Instrument 11-502, *Voluntary Surrender of Reporting Issuer Status* to the British Columbia Securities Commission. Pursuant to such Instrument, the Applicant ceased to be a reporting issuer in British Columbia on May 20, 2008.
3. The Applicant is a "registrant" under, and is subject to, the requirements of the United States *Securities and Exchange Act of 1934* (the **Exchange Act**). Pursuant to the Act, the Applicant has filed such documentation as required under National Instrument 71-102 *Continuous Disclosure*

and Other Exemptions Relating to Foreign Issuers (NI 71-102).

4. On November 16, 2007, Atna Resources Ltd. (**Atna**), Arizona Acquisition Ltd., a wholly-owned U.S. subsidiary of Atna (**SubCo**) and the Applicant entered into an agreement and plan of merger (the **Merger Agreement**). Pursuant to the terms of the Merger Agreement, Atna and the Applicant completed a business combination effected by way of a merger between the Applicant and SubCo (the **Merger**) under the General Corporation Law of the State of Delaware.
5. Atna was incorporated in British Columbia on May 30, 1984 under the *Company Act* (British Columbia) and transitioned under the *Business Corporations Act* (British Columbia) on April 14, 2005.
6. Atna is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Nova Scotia. Atna is a foreign private issuer as defined under Rule 3b-4 of the Exchange Act. Atna is subject to reporting requirements under the Exchange Act applicable to foreign private issuers. Atna is required to file its annual report on Form 20F with the United States Securities and Exchange Commission (the **SEC**) and must furnish reports on Form 6-K to the SEC regarding certain information requested to be publicly disclosed in Canada or filed with the Toronto Stock Exchange, or regarding information to be distributed to its shareholders. Atna is listed and trades on the Toronto Stock Exchange and also trades in the United States on the Over-The-Counter market.
7. On March 13, 2008, a majority of the shareholders of the Applicant approved the Merger at a special meeting of shareholders held to consider the Merger.
8. The Merger was consummated on March 18, 2008, at which time, Atna became the sole shareholder of all of the issued and outstanding shares of the Applicant's common stock, and assumed all of the Applicant's outstanding warrants and convertible debentures. As a result, the Applicant became a wholly-owned U.S. subsidiary of Atna.
9. As a result of the Merger, Atna's issued and outstanding common shares increased by approximately 17.1 million and its share capital (representing the total value of the transaction) increased by approximately USD \$29.5 million.
10. Following the consummation of the Merger, the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 securityholders in

Ontario and less than 51 securityholders in total in Canada.

11. The Applicant has no current intention to seek public financing by way of an offering of securities.
12. The Applicant is not in default of any of its obligations as a reporting issuer under the Act except for its obligation to file the annual financial statements for the year ended December 31, 2007 and its Management Discussion and Analysis in respect of such financial statements as required under National Instrument 51-102 - *Continuous Disclosure Obligations* and the related certification for such financial statements as required under National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Disclosure Documents**). Effective as of March 18, 2008, the Merger had been consummated with the result that Atna became the sole shareholder of the Applicant and the Applicant became a wholly-owned U.S. subsidiary of Atna. Consequently, the Applicant has not filed the Disclosure Documents which were required to be filed by March 30, 2008.
13. The Applicant is not currently listed on the Toronto Stock Exchange or any other stock exchange and is not trading Over-The-Counter. Effective at the close of business on March 18, 2008, the Applicant's common stock ceased trading and was de-listed from the American Stock Exchange (**AMEX**). As such, none of the Applicant's securities are listed or traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
14. On March 19, 2008, the Applicant filed with the SEC (i) a Form 15 certification which provides for the termination of registration of its securities under Section 12(g) of the Exchange Act and the suspension of duty to file certain annual, periodic and other reports pursuant to Sections 13 and 15(d) of the Exchange Act; and (ii) a Form 25 certification which provides for the removal of its securities from listing on AMEX and registration under Section 12(b) of the Exchange Act. As a result of such certifications, the Applicant ceased to be a "registrant" under the Exchange Act effective as of June 18, 2008.
15. The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the granting of the Requested Relief.

AND UPON the Commission being satisfied that granting this Order would not be prejudicial to the public interest;

IT IS HEREBY ORDERED pursuant to clause 1(10)(b) of the Act that, for the purposes of Ontario securities law, the Applicant is not a reporting issuer.

DATED at Toronto, Ontario on this 8th day of July, 2008.

“Suresh Thakrar”
Commissioner
Ontario Securities Commission

“Wendell S. Wigle”
Commissioner
Ontario Securities Commission

2.2.5 CMC Markets UK plc and CMC Markets Asia Pacific Pty Ltd. - s. 74(1)

Headnote

Subsection 74(1) of the Securities Act (Ontario) – Relief granted, subject to certain conditions, from the registration requirements of paragraph 25(1)(a) of the Act in connection with the execution of trades, in limited circumstances, through existing call centres of non-Canadian registered entities (the Applicants) who are affiliates of an Ontario registrant.

Applicable Ontario Statutory Provisions

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

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

AND

**IN THE MATTER OF
CMC MARKETS UK PLC
AND
CMC MARKETS ASIA PACIFIC PTY LTD.**

**ORDER
(Subsection 74(1) of the Act)**

UPON the application (the **Application**) of CMC Markets UK plc (**CMC UK**) and CMC Markets Asia Pacific Pty Ltd. (**CMC Australia**), and together with CMC UK, the **Applicants**), to the Ontario Securities Commission (the **Commission**) for an order, pursuant to subsection 74(1) of the Act, that each of the Applicants and their respective representatives be exempt from the dealer registration requirement of paragraph 25(1)(a) of the Act in respect of the Proposed Trading Activities (as defined below);

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

AND UPON the Applicants and CMC Markets Canada Inc. (**CMC Canada**) having represented to the Commission that:

1. CMC UK is a company incorporated in England and Wales and its head office is located in London, United Kingdom.
2. CMC UK is a regulated financial services firm in the United Kingdom and is authorized by the United Kingdom Financial Services Authority (the **FSA**) to deal in investments as agent and principal and is registered as a dealer in the category of international dealer with the Commission.
3. CMC Australia is a company incorporated in New South Wales, Australia and its head office is located in Sydney, Australia.

4. CMC Australia is registered as a dealer and an adviser with the Australian Securities and Investment Commission (**ASIC**) and is registered as a dealer in the category of international dealer with the Commission.
5. CMC Canada is a company incorporated under the federal laws of Canada and its head office is located in Toronto, Ontario.
6. CMC Canada is registered as a dealer in the category of investment dealer with the Commission and is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).
7. The Applicants and CMC Canada are affiliates of each other and are all ultimately owned by CMC Markets plc (CMC Markets plc and its related group of companies are collectively referred to as **CMC Markets**).
8. CMC Markets is an established execution-only online trading company offering contracts for difference (**CFDs**) on a wide range of underlying financial instruments to a global client base using specialized online technology solutions. CMC Markets offers CFDs to retail, corporate and institutional clients in approximately 70 countries.
9. CMC Canada is, and will remain, the exclusive distributor of CFDs issued by CMC Markets in Canada.
10. In order to trade in CFDs, investors are provided access to CMC Markets' proprietary trading platform called **Marketmaker® (MarketMaker)**.
11. CMC Canada provides its clients resident in Canada with the ability to conduct trades in CFDs online through MarketMaker (**Online Trades**), which is available 24 hours a day, 7 days a week, and by way of telephone (**Phone Trades**) utilizing the services of representatives of CMC Canada (the **Canada Representatives**). The vast majority of trades conducted by clients of CMC Canada are Online Trades.
12. Pursuant to Rule 3200 of IIROC's Dealer Member Rules, CMC Canada provides "order-execution services" only. This means that CMC Canada's activities are limited to the acceptance and execution of orders from clients for trades that CMC Canada has not recommended. CMC Canada does not provide any investment advice or conduct any analysis as to the appropriateness or suitability of specific trades for clients.
13. The Canada Representatives currently does, and will continue to do the following:
- (a) complete all account opening documents;
- (b) conduct know your client reviews; and
- (c) conduct client support related activities
14. All the Canada Representatives are registered with the Commission as salespersons and as Investment Representatives (Retail) and Investment Futures Contract Representatives (Options) with IIROC.
15. As part of its business continuity and contingency planning efforts, CMC Canada proposes to permit Ontario Clients to conduct, in certain limited circumstances (as described below), Phone Trades with CMC UK, certain registered representatives of CMC UK (the **UK Representatives**), CMC Australia and certain registered representatives of CMC Australia (the **Australia Representatives**, and together with the UK Representatives, the **Overseas Representatives**) (the **Proposed Trading Activities**).
16. The Proposed Trading Activities would be conducted by the Applicants and the Overseas Representatives only in limited circumstances, such as where:
- (a) a client may require assistance due to a technical problem that they are having with their own computer and require assistance that results in a trade;
- (b) a client may not have access to their computer (ie. may be travelling) and want to take advantage of a movement in the market; or
- (c) MarketMaker may be offline.
- In any event, the trades resulting from the Proposed Trading Activities shall amount to less than five (5) percent of all trades (including both Online Trades and Phone Trades) transacted by Ontario Clients with CMC Canada on a monthly basis.
17. For greater clarity, the Proposed Trading Activities would not include the opening of any new client accounts, closing existing accounts, transferring monies, conducting any suitability or know-your-client or other similar types of compliance functions.
18. All Phone Trades conducted by the Applicants and the Overseas Representatives will be recorded and booked on the books and records of
-

CMC Canada. None of the trades will be attributed to the Applicants. A daily report will be made available to CMC Canada from the Applicants detailing any Phone Trades conducted by the Overseas Representatives on behalf of any Ontario Clients.

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

IT IS ORDERED, pursuant to subsection 74(1) of the Act, that each of the Applicants and the Overseas Representatives are exempt from the dealer registration requirement of paragraph 25(1)(a) of the Act in respect of providing the Proposed Trading Activities to Ontario Clients, provided that:

- (a) the Proposed Trading Activities be limited to only the execution of Phone Trades carried out on behalf of Ontario Clients that are existing clients of CMC Canada and who have completed the account opening process in compliance with Ontario securities laws;
- (b) the trades resulting from the Proposed Trading Activities amount to less than five (5) percent of all trades (including both Online Trades and Phone Trades) transacted by Ontario Clients with CMC Canada on a monthly basis;
- (c) that CMC UK and the UK Representatives remain appropriately registered with the FSA to conduct execution only trades;
- (d) that CMC Australia and the Australia Representatives remain appropriately registered with ASIC to conduct execution only trades;
- (e) CMC Canada remains registered as a dealer in the category of investment dealer with the OSC and as a member of IIROC; and
- (f) prior to opening a trading account with CMC Canada, all Ontario Clients shall receive disclosure that includes:
 - i. a statement that there may be difficulty in enforcing any legal rights against the Applicants (including the Overseas Representative acting on behalf of the Applicants), because the Applicants are resident outside of Canada and all or substantially all of its assets are located outside of Canada; and

- ii. a statement that the Applicants, are not registered under the Act as a dealer for the purposes of the Proposed Trading Activities with Ontario Clients and any investor protections that might otherwise be available to clients of a registered dealer under the Act, may not be available to Ontario Clients who engage in the Proposed Trading Activities.

July 8, 2008

“Wendell S. Wigle”
Commissioner
Ontario Securities Commission

“David L. Knight”
Commissioner
Ontario Securities Commission

2.2.6 Mizuho Securities USA Inc. - s. 38

The Applicant will offer to certain of its clients in Ontario (Institutional Clients) the ability to trade in futures contracts that trade on exchanges located outside Canada through the Applicant. The Institutional Clients are the same as “designated institutions” as that term is defined in section 204(1) of Ont. Reg. 1015 – General Regulation made under the Securities Act (Ontario) (OSA).

Relief granted to permit the Applicant to execute trades in exchange-traded futures for its own account as well as those placed by its Institutional Clients in Ontario on a basis that it is exempt from registration, except that the Applicant is, and will continue to be, registered as an international dealer under the OSA.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C. 20, as am., s. 38.

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, c. C. 20
(the “Act”)**

AND

**IN THE MATTER OF
MIZUHO SECURITIES USA INC.**

**ORDER
(Section 38 of the Act)**

UPON the application (the **Application**) of Mizuho Securities USA Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**), in connection with trades (**Futures Trades**) in commodity futures contracts and options on commodity futures contracts (collectively, **Futures Contracts**) that trade on certain exchanges located outside Canada (**Exchange Traded Futures**) by its clients in Ontario that fall within the category of investors listed in Appendix I to this Order (**Institutional Clients**), for an order pursuant to section 38 of the Act;

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

1. The Applicant is a corporation incorporated under the laws of the state of Delaware. Its head office is located at 1251 Avenue of the Americas, 33rd Floor, New York, New York, 10020.
2. The Applicant is a wholly-owned subsidiary of Mizuho Securities Co. Ltd which, in turn, is 89.8% owned by Mizuho Corporate Bank, Ltd. (whose parent is Mizuho Financial Group, Inc.), and 10.2% owned by Norinchukin Bank (**NB**). The Mizuho Financial Group was formed as a result of a merger by and subsequent reorganization of The Fuji Bank, Limited, The Dai-Ichi Kangyo Bank,

Limited and The Industrial Bank of Japan, Limited. The Mizuho Financial Group provides financial services in Japan, Canada, the United States and other jurisdictions around the world through its subsidiaries. NB is the central bank for Japanese agricultural, forestry and fishery cooperative systems. In Canada, the Mizuho Financial Group operates through a wholly-owned banking subsidiary, Mizuho Corporate Bank (Canada).

3. The Applicant is a broker-dealer registered with the U.S. Securities and Exchange Commission (**U.S. SEC**), a member of The Financial Industry Regulatory Authority (**FINRA**), a registered futures commission merchant with the U.S. Commodity Futures Trading Commission (**U.S. CFTC**), and a member of the U.S. National Futures Association (**U.S. NFA**).
4. The Applicant is one of 23 firms registered with the Federal Reserve Bank of New York as a primary dealer in U.S. Government securities. It is a market maker for U.S. agency securities and acts as broker for customers buying and selling equity and/or debt securities, and as a broker for futures and options on futures contracts. Its clients include financial institutions, corporations and hedge funds.
5. The Applicant is also a member of the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, the London International Financial Futures Exchange, Eurex AG, Chicago Climate Futures Exchange and, through its wholly-owned subsidiary Mizuho Futures (Singapore) Pte Ltd, the Singapore Exchange.
6. The Applicant is registered under the *Securities Act* (Ontario) as an international dealer.
7. The Applicant proposes to offer certain of its Institutional Clients in Ontario the ability to trade in Exchange-Traded Futures through the Applicant.
8. The Applicant will solicit business in Ontario only from persons who qualify as Institutional Clients.
9. The Applicant will not provide securities advice to the Institutional Clients, and currently does not, and does not intend to, act as an adviser to the Institutional Clients.
10. Institutional Clients of the Applicant will only be offered the ability to trade Exchange-Traded Futures trading on exchanges located outside Canada (the **Recognized Exchanges**).
11. The Exchange-Traded Futures to be traded by Institutional Clients will include, but will not be limited to, Futures Contracts for equity index, interest rate, energy, agricultural and other commodity products.

12. Institutional Clients will be able to execute trades in Exchange-Traded Futures through the Applicant by contacting the Applicant's exchange floor staff or global execution desk. Institutional Clients may also be able to self execute trades electronically in Exchange Traded Futures via an independent service vendor and/or other electronic trading routing.
13. The Applicant may execute a client's order on the relevant Recognized Exchange in accordance with the rules and customary practices of the exchange, or engage another broker to assist in the execution of orders. The Applicant will remain responsible for the execution of each such trade.
14. The Applicant may perform both execution and clearing functions for Futures Trades or may direct that a trade executed by it be cleared through a carrying broker if the Applicant is not a member of the Recognized Exchange on which the trade is executed. Alternatively, the client will be able to direct that trades executed by the Applicant be cleared through clearing brokers not affiliated with the Applicant in any way (each a **Non-Mizuho Clearing Broker**).
15. If the Applicant performs only the execution of a client's Futures Contract order and "gives-up" the transaction for clearance to a Non-Mizuho Clearing Broker, such clearing broker will also be required to comply with the rules of the exchanges of which it is a member and any relevant regulatory requirements, including requirements under the Act as applicable. Each such Non-Mizuho Clearing Broker will represent to the Applicant in a give-up agreement that it will perform its obligations in accordance with applicable laws, governmental, regulatory, self-regulatory, exchange and clearing house rules and the customs and usages of the exchange or clearing house on which the relevant client's Futures Contract orders will be executed and cleared. The Applicant will not enter into a give-up agreement with any Non-Mizuho Clearing Broker located in the United States unless such clearing broker is registered with the U.S. CFTC and/or U.S. SEC, as applicable.
16. As is customary for all trading in Exchange-Traded Futures, a clearing corporation appointed by the exchange or clearing division of the exchange is substituted as a universal counterparty on all trades in Futures Contracts and client orders are submitted to the exchange in the name of the Non-Mizuho Clearing Broker or the Applicant or, on exchanges where the Applicant is not a member, in the name of another carrying broker. The client is responsible to the Applicant for payment of daily mark-to-market variation margin and/or proper margin to carry open positions and the Applicant, the carrying broker or the Non-Mizuho Clearing Broker is in turn responsible to the clearing corporation/division for payment.
17. Clients that direct the Applicant to give up transactions in Exchange-Traded Futures for clearance and settlement by Non-Mizuho Clearing Brokers will execute the give-up agreements described above.
18. Clients will pay commissions for trades to the Applicant or the Non-Mizuho Clearing Broker or such commissions may be shared with the Non-Mizuho Clearing Broker.
19. As a futures commission merchant subject to regulatory oversight by the U.S. CFTC, the Applicant is required to ensure that customer positions and monies be separately accounted for and segregated from the positions and monies of the Applicant. The U.S. CFTC regulations are designed to protect customers in the event of insolvency or financial instability of a futures commission merchant through which they clear their futures and futures options business. The Applicant receives acknowledgements from those of its banks and brokers holding the Applicant's client funds that such funds are to be separately held on behalf of the Applicant's clients, with no right of set-off against the Applicant's obligations or debts.

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

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

IT IS ORDERED pursuant to section 38 of the Act that the Applicant be exempted from the dealer registration requirements set out in the Act in connection with Exchange-Traded Futures with its clients in Ontario that fall within the category of Institutional Clients, provided that:

- (a) at the time trading activity is engaged in:
 - (i) the Applicant is registered with the U.S. SEC as a broker-dealer and with the U.S. CFTC as a futures commission merchant and is a member of FINRA and the U.S. NFA in good standing; and
 - (ii) the Applicant is either registered as an international dealer under the *Securities Act* (Ontario) or is exempted from registration as an international dealer in accordance with applicable Ontario securities law;

- (b) each client in Ontario effecting Futures Trades is an Institutional Client and, if using a Non-Mizuho Clearing Broker, has represented and covenanted that the broker is or will be appropriately registered or exempt from registration under the Act;
- (c) the Applicant only executes Futures Trades for Ontario clients on exchanges located outside Canada, unless such Futures Trades are routed through an agent that is a dealer registered in Ontario under the Act; and
- (d) each client in Ontario effecting Futures Trades receives disclosure upon entering into the agreement by which it establishes an account with the Applicant that includes:
 - (i) a statement that there may be difficulty in enforcing any legal rights against the Applicant or any of its directors, officers or employees because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
 - (ii) a statement that the Applicant is not registered under Ontario commodities futures legislation and, accordingly, the protection available to clients of a dealer registered under such commodities futures legislation will not be available to clients of the Applicant.

July 8, 2008

“Suresh Thakrar”
Commissioner
Ontario Securities Commission

“David L. Knight”
Commissioner
Ontario Securities Commission

Appendix 1

INSTITUTIONAL CLIENTS

In this Order, “Institutional Client” means:

- a) a financial intermediary;
- b) the Federal Business Development Bank;
- c) a subsidiary of any company referred to in clause (a) or (b), where the company beneficially owns all of the voting securities of the subsidiary;
- d) the Government of Canada or any province or territory of Canada;
- e) any municipal corporation or public board or commission in Canada;
- f) a mutual fund, other than a private mutual fund, having net assets of at least \$5,000,000;
- g) a trusteed pension plan or fund sponsored by an employer for the benefit of its employees and having net assets of at least \$5,000,000;
- h) a registered dealer;
- i) a company or person, other than an individual, that is an accredited investor as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions*; and
- j) a person or company deemed to be a “designated institution” under subsection 204(2) of Ont. Reg. 1015 – *General Regulation* made under the *Securities Act* (Ontario).

2.2.7 Matthew Scott Sinclair

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

AND

IN THE MATTER OF
MATTHEW SCOTT SINCLAIR

ORDER

WHEREAS on June 16, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations with respect to Matthew Scott Sinclair (the "Respondent") pursuant to sections 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS Staff of the Commission ("Staff") and counsel for the Respondent attended before the Commission on July 8, 2008 at 3 p.m.;

AND WHEREAS Staff and counsel for the Respondent requested that the matter be adjourned to a pre-hearing conference;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS HEREBY ORDERED that this matter be adjourned to September 29, 2008 at 2:00 p.m. for the purpose of a pre-hearing conference.

DATED at Toronto on this 8th day of July, 2008.

"James E. A. Turner"

2.2.8 Adrian Samuel Leemhuis et al. - s. 127(8)

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

AND

IN THE MATTER OF
ADRIAN SAMUEL LEEMHUIS, FUTURE GROWTH
GROUP INC., FUTURE GROWTH FUND LIMITED,
FUTURE GROWTH GLOBAL FUND LIMITED,
FUTURE GROWTH MARKET NEUTRAL FUND
LIMITED, FUTURE GROWTH WORLD FUND,
and ASL DIRECT INC.

ORDER
(s. 127(8))

WHEREAS on April 22, 2008, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to section 127(5) of the *Securities Act* R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in securities of and all trading of securities by Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund Limited, Future Growth Market Neutral Fund Limited, and Future Growth World Fund ("The Funds") shall cease, that all trading of securities by Adrian Leemhuis shall cease and that any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on April 22, 2008, the Commission ordered that the Temporary Order dated April 22, 2008 shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on May 1, 2008, the Commission issued a Temporary Order pursuant to section 127(5) of the Act that all trading in securities by ASL Direct Inc. shall cease and that any exemptions contained in Ontario securities law do not apply to ASL;

AND WHEREAS on May 1, 2008, the Commission ordered that the Temporary Order dated May 1, 2008 shall expire on the 15th day after its making unless extended by the Commission;

AND WHEREAS on May 2, 2008, the Commission issued an Amended Notice of Hearing to consider the extension of the Temporary Order dated April 22, 2008, and the Temporary Order dated May 1, 2008 to be held on May 6, 2008 at 2:30 p.m.;

AND WHEREAS on May 6, 2008 the Commission held a hearing and counsel for Staff and counsel for the Respondents attended before the Commission and confirmed there was no objection to adjourning until May 16, 2008, and the Commission ordered that pursuant to section 127(8) that the Temporary Order dated April 22, 2008 be extended to May 16, 2008, that the Temporary Order dated May 1, 2008 be extended to May 16, 2008 and that the hearing to consider the extension of these orders be adjourned to May 16, 2008;

AND WHEREAS the Commission held a hearing on May 16, 2008 and counsel for Staff and counsel for the Respondents attended before the Commission and at that time the Commission made an order continuing the Temporary Orders dated April 22, 2008 and May 1, 2008, until May 26, 2008;

AND WHEREAS the Commission held a hearing on May 26, 2008 and counsel for Staff and counsel for the Respondents attended before the Commission and the Commission made an order continuing the Temporary Order made May 16, 2008 until June 17, 2008;

AND WHEREAS on June 16, 2008 the Commission made an Order that: continued the Temporary Order made May 16, 2008 until July 10; adjourned the hearing of the matter until July 9, 2008; and, varied the Temporary Order made April 22, 2008, to permit trading of the securities held by the Funds by Marvin & Palmer;

AND WHEREAS the Commission held a hearing on July 9, 2008, and counsel for Staff and counsel for the Respondents attended before the Commission and made submissions;

AND WHEREAS Staff of the Commission confirm that they may submit requests for the Commission to make orders pursuant to s. 144 of the Act, on consent, to vary the Temporary Orders dated April 22, 2008 and May 1, 2008 to permit ASL Direct Inc. and Mr. Leemhuis to carry out unsolicited trades on behalf of clients of ASL Direct Inc.;

AND WHEREAS the Respondents may bring a motion to vary or amend this Temporary Order on two weeks notice.

AND WHEREAS Staff of the Commission seek to adjourn the hearing of this matter and to continue the Temporary Order made June 16, 2007 until October 27, 2008.

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

IT IS HEREBY ORDERED that the Temporary Order dated April 22, 2008, as amended, extended on May 6, 2008, on May 26, 2008, on June 16, 2008 is further extended to October 28, 2008;

AND IT IS FURTHER ORDERED that the Temporary Order dated May 1, 2008, extended on May 6, 2008, on May 26, 2008, and on June 16, 2008, is further extended to October 28, 2008; and

AND IT IS FURTHER ORDERED that the hearing to consider the extension of the Temporary Order dated April 22, 2008 and the Temporary Order dated May 1, 2008 is adjourned to October 27, 2008 at 10:00 a.m.

DATED at Toronto this 9th day of July 2008.

“Wendell S. Wigle”

“Suresh Thakrar”

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
Lions Petroleum Inc.	24 June 08	04 July 08	04 July 08	
Onco Petroleum Inc.	03 July 08	15 July 08		
Cy Oriental Holdings Ltd.	08 July 08	18 July 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

* There were no Management Cease Trading Orders for this week

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
Argus Corporation Limited	25 May 04	03 June 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 July 07	26 Jul7 07	26 July 07		
Hip Interactive Corp.	04 July 05	15 July 05	15 July 05		
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		
Warwick Communications Inc.	02 May 08	15 May 08	15 May 08		
Onepak, Inc.	05 May 08	16 May 08	16 May 08		
iSCOPE Inc.	06 June 08	19 June 08	19 June 08		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/20/2008 to 06/25/2008	13	1389414 Alberta Ltd. - Common Shares	205,224.00	75,000.00
06/20/2008 to 06/25/2008	13	1389414 Alberta Ltd. - Preferred Shares	205,224.00	130,224.00
06/19/2008	1	Agios Pharmaceuticals, Inc. - Preferred Shares	173,400.00	15,171,500.00
06/19/2008	4	AMADOR GOLD CORP. - Common Shares	180,750.00	445,000.00
06/16/2008	4	Argenta Oil & Gas Inc. - Common Share Purchase Warrant	255,000.00	510,000.00
06/16/2008	4	Argenta Oil & Gas Inc. - Common Shares	255,000.00	1,020,000.00
06/13/2008	14	Armistice Resources Corp. - Units	2,157,750.35	8,866,251.00
06/13/2008	22	Armistice Resources Corp. - Warrants	1,080,500.00	3,082,500.00
06/19/2008	1	Ashbridge Business Centre - Common Shares	1,500,400.00	682,000.00
05/29/2008	76	Barker Minerals Ltd. - Units	1,257,000.00	12,570,000.00
06/24/2008	10	Brett Resources Inc. - Common Share Purchase Warrant	4,000,070.00	3,437,500.00
06/24/2008	19	Brett Resources Inc. - Common Shares	2,750,000.00	4,210,600.00
06/17/2008	3	Bristow Group Inc. - Common Shares	7,193,900.00	7,053,935.00
06/17/2008	1	Bristow Group Inc. - Notes	509,950.00	500,000.00
06/13/2008 to 06/23/2008	9	Canuc Resources Corporation - Common Shares	360,002.00	1,566,680.00
06/12/2008	98	CGA Mining Limited - Common Shares	34,999,800.00	21,212,000.00
05/30/2008	177	Chai Cha Na Mining Inc. - Special Warrants	375,000.00	2,500,000.00
06/27/2008	1	Chapleau Resources Ltd. - Units	2,500,000.00	5,000,000.00
06/12/2008	5	CIT Canada Equipment Receivables Trust - Common Shares	310,010,000.00	310,000,000.01
06/16/2008 to 06/20/2008	14	Clear Vistas Community #1 Limited Partnership - Units	416,270.00	41,627.00
06/17/2008	1	CPC Diversified Growth Limited Partnership - Limited Partnership Units	45,000.00	4,500.00
06/13/2008	9	DealFlow Business Proposal - Common Shares	479,811.00	24,575.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/06/2008 to 06/13/2008	13	Delavaco Energy Inc. - Common Shares	7,240,000.00	3,620,000.00
05/15/2008	114	Dynamic Resources Corp. - Units	2,127,100.00	42,542,000.00
06/10/2008	48	EPOD Solar Inc. - Units	3,021,000.00	3,021.00
06/19/2008	35	Erdene Resource Development Corporation - Common Shares	18,586,000.00	18,586,000.00
06/13/2008 to 06/17/2008	4	First Leaside Elite Limited Partnership - Limited Partnership Interest	320,251.48	312,806.00
06/11/2008	1	First Leaside Fund - Trust Units	3,649.41	3,587.00
06/18/2008	1	First Leaside Fund - Trust Units	150,000.00	150,000.00
06/11/2008 to 06/17/2008	4	First Leaside Wealth Management Inc. - Notes	350,000.00	350,000.00
06/18/2008	2	First Leaside Wealth Management Inc. - Notes	506,980.00	506,980.00
06/25/2008	11	FTI Foodtech International Inc. - Receipts	500,000.00	5,000,000.00
06/09/2008 to 06/13/2008	17	General Motors Acceptance Corporation of Canada, Limited - Notes	3,579,985.45	6,010,850.73
06/16/2008 to 06/20/2008	27	General Motors Acceptance Corporation of Canada, Limited - Notes	7,619,377.23	7,619,377.23
06/19/2008	165	Graham Income Trust - Trust Units	10,602,760.00	139,510.00
06/18/2008	20	Great Quest Metals Ltd. - Units	360,000.00	3,000,000.00
06/18/2008 to 06/27/2008	19	Green Breeze Energy Systems Inc. - Common Shares	320,000.00	160,000.00
06/16/2008	18	Greenwich Registered Capital Ltd. - Bonds	480,700.00	4,807.00
06/16/2008	19	Greenwich Registered Investments Ltd. - Common Shares	480.70	4,807.00
06/16/2008	16	Greenwich Registered Investments Ltd. - Notes	480,700.00	480,700.00
06/17/2008	45	Haemacure Corporation - Common Shares	7,104,076.20	35,520,381.00
06/12/2008	9	Hathor Exploration Limited - Common Shares	15,000,000.00	5,000,000.00
06/16/2008	19	Helio Resource Corp. - Units	5,100,000.00	6,000,000.00
06/16/2008	3	Houston Lake Mining Inc. - Flow-Through Shares	286,200.00	477,000.00
06/18/2008 to 06/24/2008	20	IGW Real Estate Investment Trust - Trust Units	642,482.00	562,533.00
06/09/2008 to 06/11/2008	30	IGW Real Estate Investment Trust - Trust Units	1,392,546.00	1,286,209.00
05/29/2008	2	Imperial Energy Corporation PLC - Common Shares	59,847.99	511,364.00
06/20/2008	15	Intelligent Hospital Systems Ltd. - Preferred Shares	2,686,647.25	1,535,227.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/20/2008	15	Intelligent Hospital Systems Ltd. - Warrants	2,686,647.25	61,152.00
06/20/2008	26	Intercontinental Potash Corp. - Common Shares	5,150,000.00	10,300,000.00
06/18/2008	24	Intrepid Energy Corporation - Common Shares	11,480,167.00	389,551.00
06/18/2008	24	Intrepid Energy Corporation - Flow-Through Shares	11,480,167.00	4,617,522.00
06/20/2008	76	Kivalliq Energy Corp. - Special Warrants	1,600,000.00	6,400,000.00
06/18/2008	26	Kootenay Gold Inc. - Units	12,425,600.00	5,648,000.00
06/25/2008	15	LP RRSP Limited Partnership #2 - Limited Partnership Units	470,560.00	453,689.00
06/19/2008	26	Mavrix Explore 2008 - I FT Limited Partnership - Limited Partnership Units	321,000.00	32,100.00
06/11/2008	1	Melkior Resources Inc. - Units	1,000,000.00	5,000,000.00
06/11/2008	19	Mogul Energy International Inc. - Flow-Through Shares	950,000.00	600,000.00
06/09/2008	1	Mohave Exploration & Production Inc. - Units	3,000,000.00	4,000,000.00
06/12/2008	38	Nevoro Inc. - Units	7,005,425.00	70,005,425.00
06/09/2008	1	New Solutions Financial (II) Corporation - Debenture	150,000.00	1.00
06/23/2008	1	New Solutions Financial (II) Corporation - Debenture	325,000.00	1.00
06/19/2008	5	Newcastle Minerals Ltd. - Units	115,000.00	2,300,000.00
06/20/2008	66	Next Millennium Commercial Corp. - Units	6,000,000.00	12,000,000.00
06/20/2008	1	Niocan inc. - Common Shares	1,080,000.00	1,800,000.00
06/24/2008	1	Northern Tiger Resources Inc. - Common Shares	1,300,000.00	4,343,875.00
06/24/2008	13	Northern Tiger Resources Inc. - Flow-Through Shares	1,739,402.20	5,270,915.00
06/24/2008	23	Northern Tiger Resources Inc. - Units	451,705.70	1,505,686.00
05/30/2008 to 06/05/2008	2	PAKIT Inc. - Debentures	125,000.00	2,466,500.00
06/13/2008	45	Palliser Oil & Gas Corporation - Common Shares	4,904,157.64	3,535,806.00
06/11/2008	12	Panada Capital II Inc. - Common Shares	465,000.00	9,300,000.00
06/12/2008	79	Potash North Resource Corporation - Units	8,400,000.00	24,000,000.00
05/31/2008	18	Prestigious RRSP Investment A Inc. - Common Shares	590.00	5,900.00
06/11/2008	3	Protus IP Solutions Inc. - Common Shares	16,014,874.20	4,174,889.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/24/2008	1	Ranchlands I Limited Partnership - Loans	25,000.00	25,000.00
06/10/2008 to 06/11/2008	3	Redux Duncan City Limited Partnership - Limited Partnership Units	70,000.00	70,000.00
05/30/2008	2	Rembrandt Venture Partners Fund Two, L.P. - Limited Partnership Interest	1,813,352.00	1,813,352.00
06/23/2008	4	ReneSola Ltd. - American Depository Shares	3,645,250.00	175,000.00
05/28/2008	1	Safeguard Real Estate Investment Fund V Limited Partnership - Limited Partnership Units	50,000.00	5.00
06/20/2008	127	Shadow Mountain Properties Ltd. - Debentures	9,804,000.00	9,804.00
06/12/2008	20	Sonic Technology Solutions Inc. - Units	1,574,799.79	5,249,332.00
06/24/2008	2	St Andrew Goldfields Ltd - Common Shares	42,000,000.00	76,363,636.00
06/25/2008	2	Stone Harbor Investment Funds PLC - Bonds	15,202,500.00	107,801.35
06/25/2008	2	Stone Harbor Investment Funds PLC - Debentures	15,202,500.00	41,920.33
06/18/2008 to 06/25/2008	7	StrataVest Capital Inc. - Common Shares	62,500.00	612,500.00
06/30/2008	12	Swift Resources Inc. - Flow-Through Units	400,000.00	1,066,666.00
06/30/2008	11	Swift Resources Inc. - Non-Flow Through Units	200,000.00	533,332.00
06/30/2008	1	Swift Resources Inc. - Options	10.00	82,000.00
06/19/2008	25	Tangcoh Gold Inc - Flow-Through Shares	353,802.00	353,802.00
06/19/2008	25	Tangcoh Gold Inc - Units	353,802.00	919,767.00
12/31/2007	1	The Rara Group Inc. - Common Shares	24,500.00	3,500.00
06/25/2008	2	TrialStat Corporation - Notes	750,000.00	750,000.00
06/11/2008	117	Troon Ventures Ltd. - Units	4,990,900.40	11,113,112.00
06/17/2008	1	University Health Industries Inc. - Common Shares	20,000.00	500,000.00
06/12/2008	40	Vast Exploration Inc - Units	35,001,000.00	58,335,000.00
06/11/2008	3	Velocity Minerals Ltd. - Units	750,000.00	1,250,000.00
06/19/2008	32	Walton AZ Silver Reef 2 Investment Corporation - Common Shares	799,740.00	79,974.00
06/17/2008	2	Walton AZ Sunland View Limited Partnership - Limited Partnership Units	687,152.82	66,533.00
06/17/2008	10	Walton Ottawa Region Limited Partnership - Limited Partnership Units	394,000.00	39,400.00
06/19/2008	6	Walton TX South Grayson Limited Partnership - Limited Partnership Units	564,493.41	55,245.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/09/2008	1	Wedge Energy International Inc. - Common Shares	NA	360,000.00
06/11/2008 to 06/20/2008	55	Wildcat Exploration Ltd. - Flow-Through Shares	1,108,500.00	1,825,000.00
06/11/2008 to 06/20/2008	55	Wildcat Exploration Ltd. - Non-Flow Through Units	1,108,500.00	9,260,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Apollo Gold Corporation
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus dated July 2, 2008
NP 11-202 Receipt dated July 2, 2008

Offering Price and Description:

Minimum - \$20,000,000.00 - Maximum - \$40,000,000.00;
Minimum - * Units - Maximum - * Units
\$ * per Unit

Underwriter(s) or Distributor(s):

Haywood Securities Inc.
Blackmont Capital Inc.

Promoter(s):

-

Project #1265502

Issuer Name:

Avion Resources Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 4, 2008
NP 11-202 Receipt dated July 4, 2008

Offering Price and Description:

\$30,050,000.00 - 60,100,000 Common Shares and
30,050,000 Warrants Price - 0.50 Per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
PI Financial Corp.

Promoter(s):

-

Project #1289625

Issuer Name:

Chudleigh Ventures Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated June 27, 2008
NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

\$1,000,000.00 to \$1,500,000.00 - 5,000,000 to 7,500,000
Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #1287693

Issuer Name:

COPERNICAN WORLD BANKS INCOME AND GROWTH
TRUST
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 4, 2008
NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

June 2009 Warrants to Subscribe for up to 4,697,141 Units
June 2010 Warrants to Subscribe for up to 4,697,141 Units
June 2009 Warrant Exercise Price - \$5.34 per Unit or \$5.35
per Unit
(Upon the exercise of one June 2009 Warrant for one Unit)
June 2010 Warrant Exercise Price - \$5.40 per Unit or \$5.45
per Unit
(Upon the exercise of one June 2010 Warrant for one Unit)

Underwriter(s) or Distributor(s):

-

Promoter(s):

Copernican Capital Corp.
Project #1289900

Issuer Name:

DELPHI ENERGY CORP.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated July 3, 2008
NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

\$30,002,600.00 - 6,316,000 Common Shares and
3,530,000 Flow-Through Common Shares
Price - \$2.85 per Offered Share and \$3.40 per Flow-
Through Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
Dundee Securities Corporation
GMP Securities L.P.
Scotia Capita Inc.
Acumen Capital Finance Partners Limited
Genuity Capital Markets
Maison Placements Canada Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #1289366

Issuer Name:

Enbridge Finance Company Inc.
Enbridge Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated July 7, 2008

NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

US\$2,000,000,000.00:

Debt Securities

Unconditionally guaranteed as to payment of principal, premium, if any, interest and certain other amounts by Enbridge Inc.

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1290181/1290180

Issuer Name:

GLOBAL BANKS PREMIUM INCOME TRUST

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 4, 2008

NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

July 2009 Warrants to Subscribe for up to 4,567,873 Units

July 2010 Warrants to Subscribe for up to 4,567,873 Units

July 2009 Warrant Exercise Price - \$5.93 per Unit or \$5.95 per Unit

(Upon the exercise of one July 2009 Warrant for one Unit)

July 2010 Warrant Exercise Price - \$6.00 per Unit or \$6.05 per Unit

(Upon the exercise of one July 2010 Warrant for one Unit)

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited

Project #1289902

Issuer Name:

High Liner Foods Incorporated

Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated July 2, 2008

NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

\$ * - * Non-Voting Equity Shares Price - \$ * per Non-Voting Equity Share

Underwriter(s) or Distributor(s):

Beacon Securities Limited

Promoter(s):

-

Project #1289000

Issuer Name:

ID Watchdog, Inc.

Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 30, 2008

NP 11-202 Receipt dated July 4, 2008

Offering Price and Description:

\$10,200,000.00 - 17,000,000 Units Each Unit consisting of one Ordinary Share and one-half of one Ordinary Share Purchase Warrant Price - \$0.60 per Unit

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

Daryl F. Yurek

Project #1289684

Issuer Name:

INTERNATIONAL FINANCIAL INCOME AND GROWTH TRUST

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 4, 2008

NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

April 2009 Warrants to Subscribe for up to 1,748,256 Units

April 2010 Warrants to Subscribe for up to 1,748,256 Units

April 2009 Warrant Exercise Price: \$7.14 per Unit or \$7.15 per Unit

(Upon the exercise of one April 2009 Warrant for one Unit)

April 2010 Warrant Exercise Price: \$7.20 per Unit or \$7.25 per Unit

(Upon the exercise of one April 2010 Warrant for one Unit)

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited

Project #1289901

Issuer Name:

InterOil Corporation

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated July 3, 2008

Received on July 4, 2008

Offering Price and Description:

\$ * - 8,128,477 Common Shares Price: \$ * per Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1289397

Issuer Name:

Med Biogene Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 4, 2008
NP 11-202 Receipt dated July 4, 2008

Offering Price and Description:

\$1,000,000.00 to \$3,000,000.00 - 6,666,667 to 20,000,000
Units Price: \$0.15 per Unit

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

-

Project #1289768

Issuer Name:

Primera Bioscience Research Inc.

Type and Date:

Preliminary Prospectus dated July 2, 2008
Received on July 2, 2008

Offering Price and Description:

\$250,000.00 - 2,500,000 Shares Price: \$0.10 per Common
Share

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

Maria A. Bruzzese

Project #1288789

Issuer Name:

Rodocanachi Capital Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary CPC Prospectus dated July 3, 2008
NP 11-202 Receipt dated

Offering Price and Description:

Maximum Offering - \$400,000.00 or 4,000,000 Common
Shares; Minimum Offering - \$250,000.00 or 2,500,000
common Shares Price - \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Richard Besner

Project #1289658

Issuer Name:

Star Hedge Managers Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated July 2, 2008
NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

\$ * Maximum - * Units Each Unit consists of one Class A
Share and one Warrant
Price - \$10.00 per Unit Minimum Purchase - 100 Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

BMO Nesbitt Burns Inc.

Project #1289235

Issuer Name:

Vaaldiam Resources Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 3, 2008
NP 11-202 Receipt dated July 4, 2008

Offering Price and Description:

Right to Subscribe for Common Shares Subscription Price -
* Rights and \$ * per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #1289356

Issuer Name:

Antrim Energy Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 8, 2008
NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

\$50,003,000.00 - 16,130,000 Common Shares at \$3.10 per
Common Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Wellington West Capital Markets Inc.
Cormark Securities Inc.
Research Capital Corporation

Promoter(s):

-

Project #1287409

Issuer Name:

Big Bank Big Oil Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 7, 2008
NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

Rights to Subscribe for up to 944,438 Combined Units
(each Combined Unit consisting of one Capital Share, one
Preferred Share and one Warrant) Subscription Price - \$
26.38 per Combined Unit (Upon the exercise of two Rights
for one Unit)

Underwriter(s) or Distributor(s):

-

Promoter(s):

Claymore Investments, Inc.

Project #1280193

Issuer Name:

BioSyntech, Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated July 7, 2008
NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

\$11,000,000.00 - 11,000 Units consisting of \$11,000,000
Aggregate Principal Amount of 12% Subordinated Secured
Convertible Debentures and 27,500,000 Common Share
Purchase Warrants Price: \$1,000 per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
Versant Partners Inc.
Laurentian Bank Securities Inc.

Promoter(s):

-

Project #1284785

Issuer Name:

GGOF CANADIAN BOND FUND (Mutual Fund, F Class
and I Class Units)

GGOF CANADIAN MONEY MARKET FUND (Mutual Fund,
Classic and F Class Units)

GGOF FLOATING RATE INCOME FUND (Mutual Fund, F
Class and I Class Units)

GGOF GLOBAL BOND FUND (Mutual Fund, F Class and I
Class Units)

GGOF HIGH YIELD BOND FUND (Mutual Fund, F Class
and I Class Units)

GGOF MONTHLY DIVIDEND FUND LTD . (Mutual Fund,
Classic and F Class Shares)

GGOF MONTHLY HIGH INCOME FUND (Mutual Fund,
Classic, F Class and T8 Class Units)

GGOF MONTHLY HIGH INCOME FUND II (Mutual Fund, F
Class, I Class and T8 Class Units)

GGOF U.S. MONEY MARKET FUND (Mutual Fund and
Classic Units)

GGOF AMERICAN EQUITY FUND LTD . (Mutual Fund, F
Class and I Class Shares)

GGOF CANADIAN EQUITY FUND LTD . (Mutual Fund and
F Class Shares)

GGOF CANADIAN LARGE CAP EQUITY FUND (Mutual
Fund, F Class and T5 Class Units)

GGOF DIVIDEND GROWTH FUND (Mutual Fund, F Class,
F5 Class, I Class and T5 Class Units)

GGOF EMERGING MARKETS FUND (Mutual Fund, F
Class and I Class Units)

GGOF ENTERPRISE FUND (Mutual Fund, F Class, I Class
and T5 Class Units)

GGOF EUROPEAN EQUITY FUND (Mutual Fund, F Class,
I Class and T5 Class Units)

GGOF GLOBAL ABSOLUTE RETURN FUND (Mutual
Fund, F Class and T5 Class Units)

GGOF GLOBAL DIVIDEND GROWTH FUND (Mutual
Fund, F Class and T5 Class Units)

GGOF GLOBAL EQUITY FUND (Mutual Fund, F Class and
T5 Class Units)

GGOF GLOBAL REAL ESTATE FUND (Mutual Fund, F
Class and T5 Class Units)

GGOF GLOBAL SMALL CAP FUND (Mutual Fund, F Class
and I Class Units)

GGOF GLOBAL TECHNOLOGY FUND (Mutual Fund and
F Class Units)

GGOF JAPANESE EQUITY FUND (Mutual Fund, F Class
and I Class Units)

GGOF RESOURCE FUND (Mutual Fund and F Class Units
)

GGOF ASIAN GROWTH AND INCOME FUND (Mutual
Fund, F Class and I Class Units)

GGOF CANADIAN BALANCED FUND (Mutual Fund, F
Class and T5 Class Units)

GGOF CANADIAN DIVERSIFIED MONTHLY INCOME
FUND (Mutual Fund, F Class, F5 Class, I Class, T5 Class
and T8 Class Units)

GGOF GLOBAL DIVERSIFIED FUND (Mutual Fund, F
Class and T5 Class Units)

GGOF SMALL CAP GROWTH AND INCOME FUND
(Mutual Fund, F Class and T5 Class Units)

GGOF U.S. DIVERSIFIED MONTHLY INCOME FUND
(Mutual Fund, F Class and T5 Class Units)

GGOF INCOME SOLUTION (Mutual Fund, F Class, F5 Class, T5 Class and T8 Class Units)
GGOF CONSERVATIVE SOLUTION (Mutual Fund, F Class, F5 Class, T5 Class and T8 Class Units)
GGOF BALANCED SOLUTION (Mutual Fund, F Class, F5 Class, T5 Class and T8 Class Units)
GGOF GROWTH SOLUTION (Mutual Fund, F Class, F5 Class, T5 Class and T8 Class Units)
GGOF AGGRESSIVE GROWTH SOLUTION (Mutual Fund, F Class, F5 Class, T5 Class and T8 Class Units)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 4, 2008

NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Guardian Group of Funds Ltd.

Jones Heward Investment Management Inc.

Promoter(s):

Guardian Group of Funds Ltd.

Project #1279345

Issuer Name:

Class A units, Class B units, Class D units, Class F units, Class I units, Class L1 units, Class L3 units, Class T(A) units and Class T(B) units of:
HARTFORD CAPITAL APPRECIATION FUND
HARTFORD GLOBAL LEADERS FUND
HARTFORD U.S. DIVIDEND GROWTH FUND
HARTFORD CANADIAN STOCK FUND
HARTFORD CANADIAN VALUE FUND
HARTFORD CANADIAN DIVIDEND FUND (formerly Hartford Canadian Equity Income Fund)
HARTFORD GLOBAL BALANCED FUND
HARTFORD CANADIAN BALANCED FUND

Class A units, Class B units, Class D units, Class F units, Class I units, Class L1 units and Class L3 units of:

HARTFORD U.S. STOCK FUND
HARTFORD CANADIAN DIVIDEND GROWTH FUND
HARTFORD CANADIAN BOND FUND

DCA Class A units, DCA Class B units, DCA Class D units and DCA Class F units issuable in series (currently only Twelve Month Series 1 and, Six Month Series 4 of each DCA Class available) and Class A units, Class B units, Class D units, Class L1 units, and Class L3 units of:

HARTFORD CANADIAN MONEY MARKET FUND

Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectuses and Annual Information Forms dated July 3, 2008 (the amended prospectus) amending and restating the Simplified Prospectuses and Annual Information Forms of dated April 24, 2008.

NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Hartford Investments Canada Corp.

Project #1230535

Issuer Name:

Hartford Global High Income Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 3, 2008

NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

Class A units, Class B units, Class F units and Class I units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Hartford Investments Canada Corp.

Project #1280197

Issuer Name:

Manulife Mawer Canadian Bond Fund
Manulife Mawer Diversified Investment Fund (also offers Series T securities)
Manulife Mawer Canadian Equity Class of Manulife Investment Exchange Funds Corp .
Manulife Mawer Global Small Cap Fund
Manulife Mawer U.S. Equity Fund
(Advisor Series, Series F and Series I Securities, except as indicated)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 27, 2008
NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

Mutual fund securities at net asset value

Underwriter(s) or Distributor(s):

Elliott & Page Limited

Promoter(s):

Elliott & Page Limited

Project #1276589

Issuer Name:

MGM Energy Corp.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 8, 2008
NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

\$80,107,500.00 - 82,000,000 Common Shares 52,250,000
Flow-Through Common Shares Price: \$0.55 per Offered
Share \$0.67 per Flow-Through Share

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

Peters & Co. Limited

Cormark Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

Canaccord Capital Corporation

Firstenergy Capital Corp.

Promoter(s):

-

Project #1286016

Issuer Name:

Parta Growth Capital I Inc.
Principal Regulator - Quebec

Type and Date:

Final CPC Prospectus dated June 30, 2008
NP 11-202 Receipt dated July 2, 2008

Offering Price and Description:

Minimum Offering: \$500,000.00 or 5,000,000 Common
Shares; Maximum Offering: \$1,000,000.00 or 10,000,000
Common Shares Price: \$0.10 per share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Paul Allard

Project #1266548

Issuer Name:

Putnam Canadian Balanced Fund
Putnam Canadian Bond Fund
Putnam Canadian Equity Fund
Putnam Canadian Equity Growth Fund
Putnam Canadian Money Market Fund
Putnam Global Equity Fund
Putnam International Equity Fund
Putnam U.S. Value Fund
Putnam U.S. Voyager Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated June 20, 2008 to the Simplified
Prospectuses and Annual Information Forms dated April 8,
2008

NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

Series A, D and F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Mackenzie Financial Corporation

Project #1223941

Issuer Name:

Quetzal Energy Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 30, 2008
NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

Maximum Offering: \$21,510,000.00; Minimum Offering:
\$10,755,000.00: Up to 17,208,000 Units
\$1.25 per Unit

Underwriter(s) or Distributor(s):

D&D Securities Company

Promoter(s):

Steven J. Reynolds

Project #1262933

Issuer Name:

Rattlesnake Ventures Inc.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated June 26, 2008
NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

\$250,000.00 - 2,500,000 common shares Price: \$0.10 per
Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Scott White

Project #1259011

Issuer Name:

Sea Dragon Energy Inc.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated July 3, 2008
NP 11-202 Receipt dated July 8, 2008

Offering Price and Description:

\$40,000,000.00 (Maximum Offering); \$30,000,000.00
(Minimum Offering): A Minimum of 50,000,000 Common
Shares and a Maximum of 66,666,666 Common Shares
Price: \$ 0.60 per Common Share

Underwriter(s) or Distributor(s):

Salman Partners Inc.
Thomas Weisel Partners Canada Inc.
Fraser Mackenzie Limited

Promoter(s):

David M. Thompson
Parvez Tyab
Project #1261611

Issuer Name:

Social Housing Canadian Bond Fund
Social Housing Canadian Equity Fund
Social Housing Canadian Money Market Fund
Social Housing Canadian Short-Term Bond Fund

Type and Date:

Final Simplified Prospectuses dated July 3, 2008
Received on July 7, 2008

Offering Price and Description:

Series A Units

Underwriter(s) or Distributor(s):

Philips, Hager & North Investment Funds Ltd.

Promoter(s):

-

Project #1272383

Issuer Name:

TransCanada Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Base Shelf Prospectus dated July 2, 2008
NP 11-202 Receipt dated July 3, 2008

Offering Price and Description:

\$3,000,000,000:
Common Shares
First Preferred Shares
Second Preferred Shares
Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1284014

Issuer Name:

Westcoast Energy Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Base Shelf Prospectus dated July 2, 2008
NP 11-202 Receipt dated July 7, 2008

Offering Price and Description:

\$700,000,000 - EDIUM TERM NOTES (UNSECURED)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1285205

Issuer Name:

Pico Resources Ltd.
Principal Jurisdiction - Alberta

Type and Date:

Preliminary Prospectus dated March 13, 2008
Withdrawn on July 7, 2008

Offering Price and Description:

\$300,000.00 to \$500,000.00 - 1,500,000 to 2,500,000
Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

Robert Pek
J. Arthur Bray
Project #1229635

Issuer Name:

Silicon Global Corp.
Principal Jurisdiction - Alberta

Type and Date:

Preliminary Prospectus dated March 31, 2008
Amended and Restated Preliminary Prospectus dated May
13, 2008

Withdrawn on July 3, 2008

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

GMP Securities L.P.
CIBC World Markets Inc.
Canaccord Capital Corporation
Blackmont Capital Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.

Promoter(s):

SPC Management GP, LLC
Project #1242880

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: HVB Capital Markets, Inc. To: UniCredit Capital Markets, Inc.	International Dealer	January 1, 2008
New Registration	Agoracom Capital Inc.	Limited Market Dealer	July 2, 2008
Amalgamation	Companies: Berkshire Investment Group Inc. and Manulife Securities International Ltd. To Form: Manulife Securities Investment Services Inc.	Mutual Fund Dealer and Limited Market Dealer	July 2, 2008
Consent to Suspension (Rule 33-501 - Surrender of Registration)	B-Trade Services LLC	International Dealer	July 2, 2008
Consent to Suspension (Rule 33-501 - Surrender of Registration)	Brown, Marcia Lewis	Securities Adviser	July 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Change of Category	Optimal Models and Decisions Inc.	From: Investment Counsel & Portfolio Manager & Commodity Trading Counsel & Commodity Trading Manager To: Investment Counsel & Portfolio Manager & Commodity Trading Counsel & Commodity Trading Manager Limited Market Dealer	July 3, 2008
Change of Name	From: Alphaone Asset Management To: Alphanorth Asset Management	Limited Market Dealer & Investment Counsel & Portfolio Manager	July 3, 2008
New Registration	Eagle Boston Investment Management, Inc.	International Adviser	July 04, 2008
Name Change	From: Perimeter Capital Management Inc. To: Rogerscasey Canada, Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	July 7, 2008
Change of Category	Tremont Capital Management Inc.	From: Limited Market Dealer & Investment Counsel & Portfolio Manager To: Limited Market Dealer	July 8, 2008

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA issues Notice of Hearing Regarding Jeffrey Mark Levy

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING JEFFREY MARK LEVY

July 8, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Jeffrey Levy.

MFDA staff alleges in its Notice of Hearing that Jeffrey Levy engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: In June 2000, the Respondent made statements to the Ontario Securities Commission and the Member regarding the circumstances of his disbarment by the Law Society of Upper Canada which were misleading or untrue, contrary to MFDA Rule 2.1.1.

Allegation #2: In or around May 2005, the Respondent accepted \$150 from clients CC and EC to prepare, or arrange for the Member to prepare, wills for them which he subsequently failed to deliver, contrary to MFDA Rule 2.1.1.

Allegation #3: In 2005, the Respondent solicited and accepted \$10,000 from client TC to invest on TC’s behalf and thereafter failed to account for the monies, contrary to MFDA Rule 2.1.1.

Allegation #4: In April 2006, the Respondent accepted \$9,375 in remuneration from client JL in respect of investment related services to be provided by the Respondent to JL on behalf of the Member, contrary to MFDA Rule 2.4.1.

Allegation #5: Commencing March 29, 2007, the Respondent failed to cooperate with the MFDA by failing to produce copies of bank statements requested by the MFDA and declining to attend an interview for the purposes of providing a statement regarding his conduct while an Approved Person, contrary to section 22.1 of MFDA by-law No.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday, September 10, 2008 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

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

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

13.1.2 Notice and Request for Comments – Application for Exemption from Recognition of egX Group Inc. and egX Canada Inc.

**NOTICE AND REQUEST FOR COMMENTS
APPLICATION FOR EXEMPTION FROM RECOGNITION OF
egX GROUP INC. AND egX CANADA INC.**

A. Background

egX Group Inc. (egX Group) and egX Canada Inc. (egX Canada) propose to carry on business as an exchange in Ontario. egX Canada is recognized as an exchange by the British Columbia Securities Commission in March 2007. egX Group, the parent company of egX Canada, is a reporting issuer in British Columbia and Alberta and is listed on the TSX Venture Exchange. egX Group and egX Canada have applied to the Commission for an exemption from recognition as a stock exchange in Ontario.

The Commission is publishing, together with this notice, for comment the application of egX Group and egX Canada and a draft order exempting them from the requirement to be recognized as a stock exchange in Ontario.

B. Exemption from Recognition of egX Group and egX Canada

egX Group and egX Canada have responded in their application to each of the following criteria for exemption:

1. Regulation of the exchange
2. Governance
3. Fees
4. Access
5. Regulation of participants and issuers on egX Canada
6. Rulemaking
7. Due process
8. Systems and technology
9. Financial viability and reporting
10. Clearing and settlement
11. Transparency
12. Outsourcing
13. Information sharing and regulatory cooperation

C. Comment Process

We are seeking comments on all aspects of egX Group and egX Canada's application and the draft exemption order. You are asked to provide your comments in writing and to send them on or before **August 11, 2008** to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, ON
M5H 3S8
Fax: (416) 593-8145
E-mail: jstevenson@osc.gov.on.ca

SRO Notices and Disciplinary Proceedings

The confidentiality of submissions cannot be maintained because securities legislation requires that a summary of written comments received during the comment period be published.

Following the comment period, staff will consider the comments received on the application and the draft exemption order. If staff are satisfied that egX Group and egX Canada meet the criteria for exemption, they will recommend that the Commission exempt egX Group and egX Canada from the requirement to be recognized as a stock exchange. Exemption will take the form of an order with terms and conditions generally in the form attached to this notice.

If you have questions, you may contact:

Antoinette Leung
Assistant Manager, Market Regulation
(416) 595-8901
aleung@osc.gov.on.ca

Tracey Stern
Assistant Manager, Market Regulation
(416) 593-8167
tsfern@osc.gov.on.ca

June 23, 2008

Ontario Securities Commission
20 Queen Street West
Suite 1903
Toronto, ON M5H 3S8

Attention: Secretary of the Commission

Re: egX Group Inc. (egX Group) and egX Canada Inc. (egX Canada) – Application for exemption from recognition as a stock exchange

egX Canada, on its own behalf and on behalf of egX Group, is filing this application with the Ontario Securities Commission (OSC) for a decision under Section 147 of the *Securities Act*, R.S.O. 1999, c. S.5 (the Act) exempting egX Canada and egX Group from the requirement to be recognized as a stock exchange in Ontario.

Criteria for exemption from recognition

In this application for exemption from recognition as a stock exchange, we have described how egX Canada and, where applicable, egX Group, will meet each of the criteria for Exemption of egX Canada and egX Group from Recognition as a Stock Exchange in Ontario set out in Schedule 1 to the draft exemption order.

For convenience, this application is divided into the following parts:

Division I Business Overview

Division II Application of Criteria for Exemption to egX Canada and egX Group

1. Regulation of the Exchange
2. Governance
3. Fees
4. Access
5. Regulation of Participants and Issuers on the Exchange
6. Rulemaking
7. Due Process
8. Systems and Technology
9. Financial Viability and Reporting
10. Clearing and Settlement
11. Transparency
12. Outsourcing
13. Information Sharing and Regulatory Cooperation

It is respectfully submitted that egX Canada and, where applicable, egX Group, satisfy all criteria for a decision under Section 147 of the Act exempting egX Canada and egX Group from the requirement to be recognized as a stock exchange.

The egX Canada Listings Manual (Listings Manual), egX Canada Trading Rules (Trading Rules) and related forms can be found on the egX Canada website, as follows:

www.egXCanada.com.

The current **egX** Group business plan and the Code of Conduct and Ethics can be found on the **egX** Group website, as follows:

www.egXWorld.com.

egX Canada has also filed a proposed new Listings Manual with the British Columbia Securities Commission and published it for comment.

egX Canada consents to the publication of this application for public comment.

If you have any questions, please contact me at the number or e-mail address shown above or Veronica Armstrong at (604) 681-7210 ext 104 or varmstrong@egXworld.com.

Yours truly,

"Denise Duihuis"
General Counsel and Corporate Secretary
egX Canada Inc.

Division I Business Overview

egX Group, through its wholly-owned subsidiary, **egX** Markets Inc., is developing **egX**, a global securities marketplace designed for the listing and trading of real estate securities and related financial products (**egX** Marketplace). **egX** Group's business is to establish, own, and operate securities exchanges around the world under the **egX** brand. **egX** Group is a public company listed on the TSX Venture Exchange.

egX Group's goal is to securitize real estate and provide investors, who currently have limited access to revenue-producing commercial and industrial property investments, with a liquid, transparent and regulated marketplace for real estate and related financial products. The **egX** Marketplace will provide the real estate industry with new financing options as well as a low cost marketplace for buying and selling real estate related interests.

egX Group intends to launch its first **egX** Marketplace in Canada under its wholly-owned subsidiary, **egX** Canada. Following the launch of the **egX** Marketplace in Canada, **egX** Group intends to develop the **egX** model internationally, creating a global exchange for real estate related securities.

egX Canada will provide a marketplace to trade real estate related securities. These will include securities of revenue producing property issuers, land bank issuers, mortgage pool issuers, infrastructure issuers and other real estate related issuers. The **egX** Canada trading system (**egX** Trading System) is being developed using a platform provided by OMX Technology AB (OMX Technology).

egX Canada will maintain its head office in Vancouver, British Columbia and will:

- through the Corporate Finance and Listings division, provide corporate finance services for its listed issuers and applicants for listing (Applicants), including the review of listings applications and ongoing financing transactions and the provision of specialized services such as marketing roadshows,
- through the Compliance division, conduct issuer regulation functions, including the monitoring of compliance with **egX** Requirements, as defined in the Listings Manual,
- through the Marketplace Operations division, provide trading and other marketplace services to its participants (**egX** Participants),
- through the Trading and Disclosure department, perform market regulation functions in coordination with the Investment Industry Regulatory Organization of Canada (IIROC), and
- through the website, provide listings and market information services to the public.

Market activity will be monitored by **egX** Canada staff and IIROC to ensure compliance with the Trading Rules and Universal Market Integrity Rules (UMIR), respectively. IIROC will investigate non-compliant UMIR activity, conduct hearings, impose penalties and enter into settlement agreements.

IIROC will regulate **egX** Participant conduct. Issuers listed on **egX** Canada will be regulated by securities regulatory authorities and will be required to comply with the listings policies of **egX** Canada.

CDS Clearing and Depository Services Inc. (CDS) will provide clearing and settlement services for **egX** Canada.

Division II Application of Criteria for Exemption to egX Canada and egX Group

Following are the submissions of **egX** Canada and **egX** Group regarding how they will meet the criteria prescribed by the OSC.

PART 1 REGULATION OF THE EXCHANGE

egX Canada is recognized by another securities commission or similar regulatory authority in Canada and is, and will continue to be, in compliance with National Instrument 21-101 – Marketplace Operation (NI 21-101) and National Instrument 23-101 – Trading Rules (NI 23-101), each as amended from time to time.

Response:

1.1 Recognition by Another Securities Commission

In mid-2003, **egX** Group submitted its initial business plan to the various securities regulatory authorities in Canada to introduce the concept of a real estate related securities exchange. After a pre-filing consultation, it was determined that the British Columbia Securities Commission (BCSC) would act as lead regulator with respect to **egX** Group's application for recognition of **egX** Canada as an exchange.

On May 15, 2006, **egX** Group submitted to the BCSC its draft materials and documents in support of an application for recognition to operate **egX** Canada as a recognized exchange. Following the BCSC's review of the materials and further discussions, **egX** Group submitted its final application and supporting documents to the BCSC on November 21, 2006.

Prior to recognizing **egX** Canada as an exchange, the BCSC published for comment¹ a number of documents:

- a proposed recognition order,
- an annotated version of the recognition order, authored and provided by **egX** Canada, setting out a summary of how **egX** Canada's application meets each of the proposed criteria, and
- a proposed guidance to the recognition order.

The BCSC received four comment letters, all of which expressed support for the introduction of a new exchange in Canada. None expressed criticism of the application, or of the proposed order or guidance.

The BCSC recognized **egX** Canada as an exchange on March 14, 2007 (BCSC Recognition Order).² The BCSC Recognition Order contains a number of pre-operating conditions that **egX** Canada must satisfy before commencing trading operations. **egX** Canada expects to have satisfied those pre-operating conditions by the end of the third quarter of 2008.

The BCSC Recognition Order was varied on May 28, 2008 to refer to the Investment Industry Regulatory Organization of Canada (IIROC) rather than Market Regulation Services Inc. (RS) to reflect the combination of RS and the Investment Dealers Association of Canada to form IIROC.³

1.2 Compliance with NI 21-101 and NI 23-101

egX Canada is (or will be by the time the **egX** Marketplace is in operation) in compliance with NI 21-101 and NI 23-101 as set out further in this application.

PART 2	GOVERNANCE
---------------	-------------------

2.1 Governance

*The governance structure and governance arrangements of **egX** Group and **egX** Canada ensure:*

- (a) *effective oversight of **egX** Canada,*
- (b) ***egX** Group and **egX** Canada's business and regulatory decisions are in keeping with their public interest mandate,*
- (c) *fair, meaningful and diverse representation on the Board and any committees of the Board, including a reasonable proportion of independent directors,*
- (d) *a proper balance among the interests of the different persons or companies accessing the facilities and/or services of **egX** Canada,*
- (e) ***egX** Group and **egX** Canada have policies and procedures to appropriately identify and manage conflicts of interest,*

¹ BC Notice 2007/03.

² BC Notice 2007/10.

³ BC Notice 2008/28.

- (f) each director or officer, and each person or company that owns or controls, directly or indirectly, more than 10% of **egX** Group and **egX** Canada is a fit and proper person, and
- (g) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors and officers.

Response:

2.1(a) Effective Oversight of egX Canada

The **egX** Canada board of directors (**egX** Canada Board) has established the Regulatory Oversight Committee (ROC), which will report directly to the **egX** Canada Board.

The ROC will assist the **egX** Canada Board in discharging the regulatory obligations of **egX** Canada, including continuing compliance with applicable securities legislation, monitoring **egX** Canada's oversight of listed issuers and **egX** Participants and monitoring compliance with conditions imposed by securities regulatory authorities. The ROC will regularly review the effectiveness and appropriateness of **egX** Canada's policies and procedures. The ROC will conduct investigations and report to the **egX** Canada Board as necessary regarding deficiencies in the performance of **egX** Canada's regulatory responsibilities.

In addition, the Governance Committee of **egX** Group establishes corporate governance policies and procedures for **egX** Canada to the extent that such policies and procedures apply to all of the members of the **egX** group of companies (e.g. Code of Conduct and Ethics). Policies and procedures specific to **egX** Canada are developed and established by the **egX** Canada Board.

2.1(b) egX Group and egX Canada's Business and Regulatory Decisions are in Keeping with the Public Interest Mandate

The BCSC Recognition Order contains a condition that **egX** Canada must regulate listed issuers and its market to serve the public interest in protecting investors and market integrity. The Listings Manual and the Trading Rules have been developed with that in mind. Both documents emphasize **egX** Canada's public interest mandate in implementing the policies in the Listings Manual and the Trading Rules. **egX** Canada has filed with the BCSC and published for comment a proposed new Listings Manual (new Listings Manual), which also emphasizes the public interest mandate.

For example, under Section 15.2-2 of the Listings Manual and Section C5.4 of the new Listings Manual, **egX** Canada may halt trading in securities if it is in the public interest; and Section 3.4 of the Trading Rules permits **egX** Canada to refuse an application to become an **egX** Participant if **egX** Canada considers that approval is not in the public interest.

The ROC's mandate includes monitoring **egX** Canada's continuing compliance with conditions imposed by securities regulatory authorities, and therefore includes monitoring for compliance with the condition to regulate listed issuers and the market to serve the public interest. The ROC will also investigate and review the financial and other resources of **egX** Canada dedicated to the performance of regulatory functions and obligations. The ROC will report its findings to the board of **egX** Canada and make recommendations for improvement as required.

To the extent that **egX** Group is involved in making business or regulatory decisions affecting **egX** Canada, **egX** Group will ensure that those decisions are in keeping with **egX** Canada's public interest mandate.

2.1(c) Fair, Meaningful and Diverse Representation on the Board and any Committees of the Board, Including a Reasonable Proportion of Independent Directors

egX Canada Board

egX Canada is a private company incorporated under the *Canada Business Corporations Act* and a wholly-owned subsidiary of **egX** Group.

The articles of incorporation of **egX** Canada provide that the number of directors of **egX** Canada must be not less than two and not more than seven. The current **egX** Canada board of directors comprises two directors: the current Chief Operating Officer of **egX** Group and an independent director of **egX** Group (within the meaning of National Instrument 52-110 *Audit Committees* (NI 52-110)). The independent director is also a director of, and a member of the Compensation and Governance Committees, of the **egX** Group board of directors (**egX** Group Board).

egX Canada will add at least three additional directors to the **egX** Canada Board before the exchange commences operations in Canada. It plans to have the same independent directors on the **egX** Canada Board as on the **egX** Group Board. These

individuals will be independent (within the meaning of NI 52-110), financially literate, and will have real estate and/or exchange related experience. Accordingly, before launch, the majority of the **egX** Canada Board will be independent.

The **egX** Canada Board has not established separate criteria for independence because tests for material relationships are adequately covered by the requirements in NI 52-110 and National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

The ROC will be comprised of **egX** Canada directors and public members appointed by the **egX** Canada Board. The ROC will be comprised of at least 3 members, no less than half of whom will be independent. The ROC will oversee the performance of regulatory functions, including compliance with the orders issued by securities regulatory authorities. The ROC will report directly to the **egX** Canada Board.

egX Canada intends to establish one or more standing advisory committees to act as consultative bodies in the areas of listings and real estate marketing. The advisory committee(s) will comprise key industry individuals representing a diversity of stakeholders in terms of issuer size, geographic locations, and types of business and ownership structures.

The structure of the **egX** Canada Board does and will in the future permit the efficient and effective exchange of information among **egX** Group and **egX** Canada directors, while maintaining as much independence as possible.

egX Group Board of Directors

egX Group is a public company incorporated in British Columbia and governed by the *Business Corporations Act* (British Columbia). **egX** Group is a reporting issuer in British Columbia and Alberta and its shares are listed and traded on the TSX Venture Exchange.

The **egX** Group Board currently comprises seven directors, five of whom are independent (within the meaning of NI 52-110). **egX** Group intends to add one or two directors to the **egX** Group Board before **egX** Canada commences exchange operations. These individuals will be independent, financially literate, and have real estate, financial and/or exchange related experience.

egX Group has three standing Board committees addressing audit, governance and compensation matters. Each committee is chaired by an independent director. The Audit Committee and the Governance Committee are made up of a majority of independent directors. The Compensation Committee is made up of all independent directors.

The Governance Committee will, among other things, review and make recommendations to both the **egX** Group Board and the **egX** Canada Board respecting the size and composition of the boards, and the suitability of individual candidates to fill board and committee vacancies. As **egX** Canada plans to have the same independent directors on the **egX** Canada Board as on the **egX** Group Board, in proposing independent directors for **egX** Group, the Governance Committee must also take into consideration the requirements under the BCSC Recognition Order.

The Compensation Committee will, among other things, annually review the remuneration of **egX** Group and **egX** Canada directors and senior management.

2.1(d) A Proper Balance Among the Interests of the Different Persons or Companies Accessing the Facilities and/or Services of egX Canada

The Governance Committee of **egX** Group reviews and makes recommendations to both the **egX** Group and **egX** Canada board respecting the composition of those boards. The Governance Committee considers the strengths, skills and experience of current and proposed board members, including experience and skills in real estate, public companies, and financial and investment services. The committee helps the boards to ensure a proper balance between the interests of the different entities who access the facilities of **egX** Canada (such as **egX** Participants) and companies listed or seeking a listing on **egX** Canada.

2.1(e) egX Group and egX Canada Have Policies and Procedures to Appropriately Identify and Manage Conflicts of Interest

egX Group has adopted a Code of Conduct and Ethics (the Code) that applies to employees, officers, directors, consultants and other persons associated with **egX** Group or any of its subsidiaries, including **egX** Canada. The Code outlines specific obligations, provides guidance for recognizing and addressing ethical issues, and establishes mechanisms to report unethical conduct. Among other things, individuals subject to the Code are required to avoid conflicts of interest. Policies relating to privacy, trading, disclosure, respectful workplace, computer use and whistleblower matters (discussed in further detail below) are also referred to and incorporated into the Code.

The office of the General Counsel of **egX** Group works with directors and management to ensure that everyone understands and complies with the Code at all times. The General Counsel's office ensures that each person subject to the Code signs a

commitment to the Code when assuming a role with **egX** Group or any of its subsidiaries and, subsequently, in every year of his or her continued engagement.

Policies incorporated into the Code

The following is a brief description of each of the policies referred to and incorporated into the Code, all of which touch on conflict of interest issues.

- (i) *Privacy Policy.* The Privacy Policy is based on applicable privacy legislation and outlines mandatory principles and practices to protect personal information. **egX** Group has appointed a Privacy Officer, who oversees this Policy.
- (ii) *Disclosure Policy.* The Disclosure Policy outlines principles and practices for ensuring that communications are timely, accurate and broadly disseminated. **egX** Group has formed a management disclosure committee led by **egX** Group's Chief Financial Officer and including **egX** Group's Chief Operating Officer and **egX** Group's General Counsel. Where a disclosure relates to **egX** Canada, the management disclosure committee also includes the President and the General Counsel of **egX** Canada.
- (iii) *Trading Policy.* The Trading Policy includes general prohibitions on the trading of securities where an issuer is in the process of listing its securities or has its securities listed on **egX** Canada. This policy prohibits trading in securities identified on a restricted list kept by the Vice President, Marketplace Operations, of **egX** Canada. The Trading Policy also includes a process for monitoring the trading activity of **egX** Group and **egX** Canada employees, and contains special restrictions for disclosure analysts and employees who monitor the **egX** Marketplace. Employees must regularly report investment details in respect of securities listed on the **egX** Marketplace for themselves and for family members. As well, all employees must provide their brokers with a copy of the **egX** Trading Policy.
- (iv) *Respectful Workplace Policy.* The Respectful Workplace Policy recognizes the rights, dignity and worth of every individual and provides for equal rights and opportunities based solely on performance and ability. The Chief Operating Officer, Human Resources Manager and office of the General Counsel of **egX** Group are responsible for overseeing this policy.
- (v) *Computer Use Policy.* The Computer Use Policy sets out guidelines for acceptable computer use. It includes restrictions on internet access, email and personal use, and guidelines for appropriately securing electronic information. The policy also includes strict prohibitions on who may access the **egX** Trading System workstations and how those workstations may be accessed. The policy is monitored generally by the Chief Operating Officer of **egX** Group but the President and Vice President, Market Operations, of **egX** Canada are responsible for overseeing items specifically relating to the **egX** Trading System workstations.
- (vi) *Whistleblower Policy.* The Whistleblower Policy outlines the process for directors and employees to submit, on a confidential and anonymous basis if desired, concerns regarding questionable accounting, auditing or internal control practices or procedures. It also outlines how reported concerns will be treated and confirms that any individual who in good faith reports concerns under this Policy will be protected from retaliation and harassment. The Chair of the Audit Committee and the Chief Operating Officer of **egX** Group oversee this policy.

2.1(f) Directors, Officers and Significant Securityholders of egX Group and egX Canada Fit and Proper

The Audit, Governance and Compensation Committees of the **egX** Group Board provide advice to the **egX** Group directors in connection with establishing policies and procedures for **egX** Group and, in certain circumstances, for **egX** Canada and other wholly-owned subsidiaries of **egX** Group. The **egX** Group Governance Committee, for example, reviews and makes recommendations to the **egX** Canada Board respecting new director and officer candidates. Each current director or officer has been, and all future director or officer nominees will be, scrutinized to ensure he or she has appropriate qualifications and is "fit and proper" for inclusion on the **egX** Canada Board or as an officer of **egX** Canada. This means, among other things, that the person:

- demonstrates integrity and high ethical standards,
- has relevant career experience and expertise,
- understands his or her fiduciary duty,
- is financially literate (if applicable),

- has appropriate listening, communication and advocacy skills to actively participate in discussions and debate, and
- is able to devote sufficient time to the responsibilities associated with participation as a director or officer of **egX** Canada.

The **egX** Group Governance Committee follows the same process when evaluating future director or officer nominees for **egX** Group.

The **egX** Canada Board has appointed and will continue to appoint a competent management team and to supervise that team's conduct of the day-to-day business and affairs of the exchange, in accordance with the principles established by the Governance Committee. The ROC will review and make recommendations to the **egX** Canada Board respecting appointing additional key regulatory personnel. All officer and employee appointments not otherwise considered by the **egX** Canada Board or the ROC have been and will continue to be reviewed by the **egX** Canada President. All employees and officers of **egX** Canada are subject to pre-employment screening, which includes verifying academic qualifications, employment history and reviewing and consulting information and references supplied in support of the individual's application.

In addition, under the BCSC Recognition Order, **egX** Canada must ensure that each director, officer and significant securityholder is a fit and proper person for that role. A significant securityholder is defined in NI 58-101 as a securityholder that:

- “(a) owns or controls 10% or more of any class of the issuer's voting securities, or
- (b) is able to affect materially the control of the issuer, whether alone or by acting in concert with others”.

egX Canada currently has only one shareholder, **egX** Group. However, under the BCSC Recognition Order, before any other person could become a significant securityholder, **egX** Canada would first have to ensure that person was fit and proper, as discussed above.

Currently, to the knowledge of management of **egX** Group, no person beneficially owns or controls 10% or more of the voting securities of **egX** Group. There are currently no restrictions on the transfer of **egX** Group's voting securities. **egX** Group plans to propose amendments to its Articles, which would restrict the ability of a person who becomes a significant securityholder of **egX** Group to vote or receive dividends on any voting securities in excess of the 10% threshold unless that person has been determined to be a fit and proper person. In order to come into force, the amendments must be approved by a special resolution of the shareholders of **egX** Group.

2.1(g) There are Appropriate Qualifications, Remuneration, Limitation of Liability and Indemnity Provisions for Directors and Officers

As referred to in 2.1(f) above, each director, officer and significant securityholder must have appropriate qualifications and be fit and proper.

The remuneration of all directors, officers and employees of **egX** Canada has been, and will continue to be, reviewed and considered by the **egX** Group Compensation Committee, the **egX** Canada Board and/or the President of **egX** Canada on an annual basis. **egX** Group has similar compensation review processes.

Under By-Law No. 1 of **egX** Canada, directors and officers are not liable for any loss or damage which may happen in the execution of the duties of his or her office. Also under that by-law, the directors and officers of **egX** Canada are entitled to be indemnified by **egX** Canada in respect of any civil, criminal, administrative or investigative proceeding in which the individual is involved because of his or her association with **egX** Canada. The indemnity is available only if the individual acted honestly and in good faith with a view to the best interests of **egX** Canada. In addition, the directors and officers of **egX** Canada (and of its affiliates, including **egX** Group) have the benefit of indemnification and limitation of liability provisions in the **egX** Canada Trading Rules and Listings Manual. Directors of **egX** Group are entitled to be indemnified by **egX** Group in respect of any legal proceeding or investigative action in which the director is or may be liable by reason of being or having been a director of **egX** Group.

Liability and indemnification issues for directors and officers of both **egX** Canada and **egX** Group have been reviewed by the **egX** Group Compensation Committee and will continue to be considered on a regular and as necessary basis by that committee and, where applicable, by the **egX** Canada Board.

PART 3	FEES
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3.1 Fees

- (a) *All fees imposed by egX Canada are equitably allocated and fees do not have the effect of creating unreasonable barriers to access.*
- (b) *The process for setting fees is fair and appropriate, and the fee model is transparent.*

Response:

3.1(a) Equitable Allocation of Fees and No Unreasonable Barriers to Access

Issuer Fees

egX Canada has developed its fee schedule to be competitive with the fees and commissions charged for other types of real estate transactions. Fees are calculated based on the value of securities issued, which is consistent with how fees are charged by other securities exchanges. The fees for listing and maintaining a listing with egX Canada are fair and will provide value for real estate issuers because of the specialized real estate listing services that the exchange offers. These specialized services include:

- dedicated listings analysts experienced in real estate and securities,
- marketing roadshows,
- media, web and print campaigns,
- communications and marketing consultant,
- issuer profile fact sheets,
- strategic seminars, and
- industry specific conferences.

This fee structure will not create unreasonable barriers to access and will provide egX Canada with its main source of operating revenue to meet its responsibilities.

The egX Canada fee schedule is based on a simple percentage calculation of the value of the securities listed. There will be no additional charges for corporate transactions except when additional securities are issued. A small annual sustaining fee will also be assessed.

Participant and Market Fees

egX Canada does not intend to charge trading fees. There will be a nominal participant application fee and a small monthly access fee. These fees are competitive with other exchanges and do not create any barriers to entry for participants. As an incentive to dealers to sign up with egX Canada prior to the launch of the egX Marketplace, all participant fees will be waived for a three year period from the date trading commences. After trading operations have commenced, egX Canada will undertake a comprehensive analysis of industry standards, budgetary requirements and participant feedback before implementing any significant change to its fee structure.

egX Canada may enter into a data distribution agreement with a third party. Any data fees will be determined during negotiations and will be competitive.

IIROC will charge egX Canada market regulation fees. egX Canada may recover these charges from egX Participants.

3.1(b) Fee Setting Process is Fair and Appropriate; Fee Model is Transparent

The fee schedule will be clearly communicated and the process for making any changes to fees will be transparent. Changes to the fee schedule are subject to regulatory approval and any significant changes will be published for comment.

The fee schedule is posted on the **egX** Canada website. The regulatory instrument review protocol that will govern rule amendments, including changes to the fee schedule, will be posted there when it has been finalized with the BCSC.

PART 4	ACCESS
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4.1 Fair Access

- (a) ***egX** Canada has established appropriate written standards for access to its services including requirements for participants to be appropriately registered under Ontario securities laws or exempted from these requirements.*
- (b) *The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.*

Response:

Section 5 of the Trading Rules sets out the access and trading permission requirements for **egX** Participants and their designated traders (Designated Traders) who trade on the **egX** Trading System. This section also sets out situations where **egX** Canada may refuse an application for trading permission, or may suspend or revoke the authority of a Designated Trader to trade on the **egX** Trading System.

Access to the **egX** Trading System must be approved by **egX** Canada. An **egX** Participant cannot allow access to any person unless he or she is a Designated Trader. An **egX** Participant is required to submit an **egX** Designated Trader Acceptance Request to **egX** Canada requesting trading permission for each Designated Trader. The Trading System Access Agreement (Form 2) and the Designated Trader Acceptance Request (Form 3) require participants and traders who are located or reside in Ontario to be registered under Ontario securities laws or exempted from the registration requirements.

Access to the **egX** Marketplace has been designed to protect the operations of **egX** Canada and the interests of investors. The governance system described in Part 2 Governance includes oversight of **egX** Canada's access criteria and practices to ensure fairness, transparency and reasonableness.

4.1(a) Appropriate Written Standards for Access

4.1(a)(1) Trading Rules

egX Canada has established rules for **egX** Participants that must be followed for access to, and continued use of, the **egX** Trading System. The BCSC did not object to the Trading Rules, and any changes to these rules will be subject to a regulatory instrument review protocol with the BCSC and other applicable securities regulatory authorities and, if required, will be published for comment.

The Trading Rules of **egX** Canada contain the exchange's filing requirements for participation in the exchange. Filing requirements include:

- application form (Section 3.1-1 and Form 1),
- application fee (Section 3.1-1), and
- application for access to the **egX** Trading System (Section 3.3-2 and Form 2).

egX Canada has established clear admission requirements for an **egX** Participant, including:

- being and continuing to remain a dealer member in good standing of IIROC,
- having satisfactory clearing and settlement arrangements,
- complying with the rules, directions, decisions and requirements of **egX** Canada, and
- complying with conditions imposed under the Trading Rules.

Members of IIROC are automatically members of the Canadian Investor Protection Fund (CIPF). **egX** Canada will rely on IIROC and CIPF to establish and monitor appropriate requirements relating to financial responsibility and minimum capital requirements.

egX Canada has also established clear operational requirements for access by an **egX** Participant, including:

- organizational and technical resources, and
- security arrangements.

Designated Traders must have successfully completed both **egX** Trader training and Canadian Securities Institute trader training (Section 5.1-1 and Form 3).

The Traders Manual will provide detailed information around **egX** Marketplace operations. The Trading Rules and all functional aspects of trading on **egX** Canada will be covered. Current trading issues and UMIR concepts, rules and policies will also be included.

The **egX** Traders exam will be based largely on the content of the **egX** Traders Manual but may include relevant industry topics not specifically covered there. The Traders Exam will be comprehensive and is designed to test and confirm the proficiency of persons applying to become Designated Traders. Other education materials for **egX** Participants will be developed as necessary.

egX Canada staff will check the BCSC website when they receive a Designated Trader Application Request (Form 3) to confirm that the individual is registered in British Columbia, and will perform other appropriate due diligence. **egX** Canada staff will also check the OSC website to confirm registration in Ontario when they receive an Application for Admission as an **egX** Participant (Form 1) for an investment firm located in Ontario and when they receive a Designated Trader Acceptance Request (Form 3) for an individual who resides in Ontario.

4.1(a)(2) Reasonableness of Access

The Trading Rules set out admission requirements for all Applicants seeking admission as an **egX** Participant and trading permission as a Designated Trader (Sections 3 and 5). **egX** Canada requires all individuals applying for access to trade to be qualified in terms of experience, formal education and knowledge of the Trading Rules, as well as the trading rules established by the applicable self regulatory body (Section 5.1-1). Participant access criteria are objective and non-discriminatory.

Market hours will be from 9:30 to 16:00 Eastern Time (6:30 to 13:00 Pacific Time). Depending on **egX** Participant requirements, the system will be available for order entry at 8:00 Eastern Time (5:00 Pacific Time) and order inquiry after the trading session until 17:00 Eastern Time (14:00 Pacific Time).

The Trading Rules do not prohibit or restrict **egX** Participants from trading on other marketplaces.

4.1(a)(3) Trading

Trading on **egX** Canada will occur through Designated Traders, according to operating agreements for access to the **egX** Trading System. Each **egX** Participant, unless they are an introducing broker, will be required to have a minimum of one Designated Trader in their firm. (**egX** Canada does not intend to use designated market-makers or guarantee continuous quotations.)

Designated Traders of **egX** Canada Participants will access the **egX** Trading System through vendor/service providers (e.g. ITS, Broadridge). The **egX** Trading System will provide order execution, display order information, trade history and other market data, and will comply with the pre-trade and post-trade transparency requirements set out in NI 21-101.

The **egX** Trading System uses roles and permissions to define access to functionality. Each Designated Trader will be set up with unique roles and permissions. **egX** Canada will not offer proprietary work stations.

Trade orders will be matched according to the Trading Rules. Trades will be confirmed to **egX** Participants, and an end-of-day executed trade file will be sent to CDS for clearing and settlement. The system provides a reporting function from which **egX** Canada will generate standardized reports to meet regulatory requirements.

egX Canada will develop a marketplace participant training program (as described in Section 4.1(a)(1) above) for all **egX** Participants granted access to the **egX** Trading System.

4.1(a)(4) Registration in Ontario

The **egX** Requirements mandate membership in IIROC and registration in British Columbia for **egX** Participants, as well as registration in Ontario for investment firms located in Ontario and designated traders who reside in Ontario.

4.1(b) Fair, transparent access standards and process reasonably applied

The Trading Rules permit **egX** Canada staff to reject an application to become an **egX** Participant in limited circumstances (Section 3.4-1):

- if **egX** Canada staff are of the opinion the Applicant will not comply with **egX** Requirements,
- if the Applicant is not qualified by reason of integrity, solvency, training or experience, or
- if it is not in the public interest.

If **egX** Canada rejects an application, it must give the affected person the opportunity to be heard (Section 3.4).

Under Section 5 of the Trading Rules, **egX** Canada may refuse to accept a person as a Designated Trader if he or she does not meet the requirements of Section 5 or the admission requirements (Section 5.4-1). The affected person has the opportunity to be heard (Section 10.1).

egX Canada will maintain, for the required time period, all records of all **egX** Participant and Designated Trader applications that have been granted or denied, as well as the details of any resulting reviews or conditions imposed.

The access standards are similar to those that apply on other Canadian exchanges, except that Designated Traders must complete the **egX** Canada training program. We anticipate that, for most participants, reviewing the manual and other documentation and completing the exam will be sufficient training. However, personalized presentations, demonstrations and other assistance will also be available.

The Trading Rules are posted on the **egX** Canada website. Any changes are subject to a regulatory instrument review protocol with the BCSC and other applicable securities regulatory authorities and, if required, will be published for comment.

PART 5	REGULATION OF PARTICIPANTS AND ISSUERS ON egX CANADA
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5.1 Regulation

***egX** Canada has the authority, capacity, systems and processes to undertake its regulation functions by setting requirements governing the conduct of its participants and issuers, monitoring their conduct, and appropriately disciplining them for violations of **egX** Canada requirements.*

Response:

The Trading Rules and Listings Manual, as well as UMIR, contain rules and policies that meet the regulatory goals of this criterion as described below. The rules and policies require compliance with securities legislation and provide appropriate sanctions for violations. Additional information about processes relating to decisions of **egX** Canada, including disciplinary decisions, is set out in Part 7 Due Process.

5.1.1 Regulation Overview

5.1.1(a) Authority

As a recognized exchange in British Columbia, **egX** Canada will operate in a highly regulated environment. **egX** Canada will be subject to regulatory oversight by the BCSC (as lead regulator), the OSC and other applicable securities regulatory authorities. **egX** Canada's regulatory structure, policies and practices have been designed to monitor and enforce compliance with regulatory requirements and promote coordination with securities regulatory authorities, IIROC and CDS.

Under the BCSC Recognition Order, **egX** Canada must regulate its market effectively (Condition of Recognition 12). As part of its compliance with this condition, **egX** Canada has established the Trading Rules for **egX** Participants and the Listings Manual, which contains policies for listed issuers. The Trading Rules and Listings Manual have been filed with the BCSC and are available on the **egX** Canada website (www.egXCanada.com). Changes to the Trading Rules and the Listings Manual are subject to the regulatory instrument review protocol with the BCSC and proposals for substantive amendments must be published for comment before the changes can be implemented. **egX** Canada has filed the new Listings Manual with the BCSC and published it for comment. It is also available on the **egX** Canada website.

5.1.1(b) Capacity, Systems and Processes

The organization of **egX** Canada includes an appropriate structure with operational, systems, legal, financial and regulatory staff, who are experienced and knowledgeable in developing rules and policies, and overseeing and regulating listed issuers and participant market activity. Many of the regulatory functions relating to trading will be performed by IIROC (as discussed in 5.1.3 below). The remaining regulatory functions will be divided among the following three divisions of **egX** Canada that conduct regulatory functions:

Corporate Finance and Listings

The Corporate Finance and Listings division will review listing applications and ongoing financing and acquisition activities of listed issuers. The Corporate Finance and Listings division will review materials filed with them to determine if they comply with the listing policies. Any compliance concerns that go beyond commenting on deficiencies in documentation will be referred to the Compliance division. The Corporate Finance division's primary objective is to work with prospective and listed issuers to ensure that the issuer's submissions are timely, efficient and made within the parameters of the Listings Manual. Corporate Finance and Listings staff report to the Vice President, Corporate Finance and Listings.

Marketplace Operations

The Marketplace Operations division of **egX** Canada has two departments: (i) Trading and Disclosure, and (ii) Trading Operations Specialist. Both departments will report to the Vice President, Marketplace Operations.

The Trading and Disclosure department is responsible for all matters pertaining to market surveillance, timely disclosure and trading analysis and referrals. It will also act as liaison with IIROC, conduct ongoing education sessions for **egX** Participants, oversee **egX** trading system projects and manage public and industry queries related to trading and disclosure. The Trading and Disclosure department will be responsible for ensuring that **egX** Participants comply with **egX** Canada Trading Rules. Under the Regulation Services Agreement (RSA) between **egX** Canada and IIROC, IIROC has an obligation to inform **egX** Canada of any possible or suspected violations or breaches of **egX** Canada requirements.

Under the BCSC Recognition Order, **egX** Canada must, at least annually, assess and report on IIROC's performance of the services covered in the RSA. In support of this assessment, **egX** Canada may conduct parallel UMIR monitoring for internal use. The Trading and Disclosure department of **egX** Canada will conduct non-UMIR pre- and post-trade market surveillance relating to insider trading via monitoring software and through the review of issuer timely disclosure. This department will also operate a technical help desk for **egX** Participants and will make available detailed market activity reports.

The Trading Operations Specialist and his or her staff will provide participant and independent software vendor support, act as liaison for OMX Technology testing and for the internal auditor, perform **egX** trading system projects, conduct trader exams and participate in web development.

Compliance

The Compliance division will be responsible for matters pertaining to issuer compliance, director suitability (including conducting background checks for new partner, officer and director appointments) and ongoing listing requirements. This division will enforce the listing agreement and listings policies and will be responsible for coordinating referrals to the BCSC and other regulatory agencies.

Compliance staff will conduct personal information searches on directors and officers of prospective listed issuers either directly or through reputable search providers. Compliance staff will also review personal information forms. The Compliance division reports to the President of **egX** Canada.

egX Canada has established the ROC. The composition of the ROC and its role are discussed in more detail in Part 2.1 above.

5.1.2 Issuer Regulation

5.1.2(a) Authority

The Listings Manual (and new Listings Manual) provides authority for **egX** Canada to exercise its regulatory functions over listed issuers. Before an applicant will be accepted for listing its securities on the **egX** Marketplace, the applicant must complete and submit to **egX** Canada a Listing Agreement (Section 10.3-1 of the current Listings Manual and Section B3.5 of the new Listings Manual). The Listing Agreement gives **egX** Canada authority over listed issuers and requires listed issuers to comply with the **egX** Requirements, which includes the Listings Manual. Under the Listings Manual, **egX** Canada has the ability to:

- halt, suspend or delist an issuer's securities (Section 15 of the current Listings Manual and Policy C5 of the new Listings Manual),
- object to the appointment or involvement of unacceptable directors, officers, employees and contractors (Section 13 of the current Listings Manual and Section C3.1 of the new Listings Manual), and
- require correcting or clarifying disclosure and other compliance with all **egX** Canada requirements (Sections 14.4-2, 14.5-2, 14.6-5, 14.8, 15.2-2(b) and 15.3-1(c) of the current Listings Manual and Sections C4.4, C4.5, and C5.4 of the new Listings Manual).

egX Canada will amend its listings policies and forms, from time to time, to:

- maintain market integrity,
- reflect new types of securities to be listed, and
- reflect changes in applicable securities laws, corporate finance practices and as otherwise required by the BCSC.

Any changes to the listings policies and forms will be subject to a regulatory instrument review protocol established with the BCSC and other securities regulatory authorities, as applicable. **egX** Canada has filed the new Listings Manual with the BCSC and published it for comment.

5.1.2(b) Requirements Governing Conduct of Issuers

Section 8 of the current Listings Manual (and Section B2.2 of the new Listings Manual) sets out the minimum listing requirements that must be met before an issuer can have its securities listed on the **egX** Marketplace. Securities listed and traded on the **egX** Marketplace must be free-trading and not be subject to a restricted period or seasoning period under National Instrument 45-102 *Resale of Securities*.

If **egX** Canada is not satisfied that an applicant seeking admission as a listed issuer complies with the admission requirements set out in the Listings Manual, **egX** Canada will advise the applicant, giving reasons why the application is rejected (Sections 8.6-2 and 8.6-5 of the current Listings Manual and Section B3.7 of the new Listings Manual).

egX Canada will maintain all records, for the required period, of all listing applications that have been granted or denied, as well as the details of any resulting reviews or conditions imposed upon an Applicant or listed issuer.

Once an issuer has its securities listed on **egX** Canada, the listed issuer must maintain minimum standards to continue to qualify for the listing of its securities, as outlined by the policies in the Listings Manual (Section 12 of the current Listings Manual and Section C1.2 of the new Listings Manual). These minimum standards relate to the listed issuer's financial situation, business activity, market capitalization, securityholder distribution and regulatory compliance. As well, listed issuers will be subject to continuous disclosure and filing requirements and will be required to comply with **egX** Canada listings policies and the Listing Agreement (Section 14 of the current Listings Manual and Section C1.2 of the new Listings Manual).

5.1.2(c) Monitoring Conduct of Issuers

egX Canada will carry out appropriate review procedures to monitor and enforce compliance with its listings policies and Listing Agreements. **egX** Canada will:

- complete or ensure background checks are completed for new director and officer appointments (Sections 10.1-1, 13.2 and 13.3 of the current Listings Manual and Section C3.3 of the new Listings Manual),
- monitor disclosure and investor relations activities of its listed issuers,
- conduct reviews of its listed issuers, and
- enforce the Listing Agreements and listings policies contained in the Listings Manual.

The Listings Manual also includes procedures for listed issuers to request policy waivers (Section 1.4 of the current Listings Manual and Section A4.1 of the new Listings Manual) as well as reviews of **egX** Canada decisions (Section 5 of the current Listings Manual and Policy A3 of the new Listings Manual).

The Compliance division of **egX** Canada will monitor matters related to issuer compliance and will recommend that the Trading and Disclosure department impose halts, delays and suspensions as required. The Compliance division will also refer matters to relevant securities regulatory authorities, as appropriate.

5.1.2(d) Disciplining Issuers

Any breaches of the Listing Agreement or listings policies will result in appropriate regulatory action as set out in Policies 12 and 15 of the current Listings Manual and Policy C5 of the new Listings Manual. Any suspected violations of securities legislation will be referred to the BCSC and other securities regulators.

The Listings Manual contains criteria and processes for taking regulatory action against a listed issuer, such as trading halts (Section 15.2-2 of the current Listings Manual and Sections C5.4 and C5.5 of the new Listings Manual), trading suspensions (Section 15.3-1 of the current Listings Manual and Sections C5.9 and C5.10 of the new Listings Manual), the delisting of listed securities (Section 15.4-1 of the current Listings Manual and Section C5.14 of the new Listings Manual), and decisions on unacceptable listed issuer transactions (Section 18.2-4 of the current Listings Manual and Sections D1.3 and D2.3 of the new Listings Manual).

Listed issuers and individuals affected by an **egX** Canada decision can request a review of that decision (Section 5 of the current Listings Manual and Section A3 of the new Listings Manual).

5.1.3 Participant Regulation

5.1.3(a) Authority

The Trading Rules and related forms provide the means for **egX** Canada to regulate **egX** Participants and their conduct on the **egX** Marketplace. Sections 3 and 5 provide the approval process by which persons become **egX** Participants or Designated Traders. Section 4.1 of the Trading Rules requires an **egX** Participant to comply with the **egX** Requirements on an ongoing basis. Section 9 of the Trading Rules authorizes **egX** Canada to halt or suspend trading privileges when an **egX** Participant has defaulted in its clearing and settlement requirements.

5.1.3(b) Requirements Governing Conduct of egX Participants

Section 3 of the Trading Rules sets out the requirements for becoming an **egX** Participant (described in more detail under Section 4 Access). Sections 4 to 8 of the Trading Rules govern the conduct of **egX** Participants.

5.1.3(c) Monitoring Conduct of egX Participants

egX Canada will provide to IIROC an automated surveillance tool for the purpose of monitoring all **egX** Participant UMIR related conduct. Once updates to IIROC surveillance tools are completed, **egX** Canada will deliver a regulatory feed to IIROC (built to IIROC specifications) that will provide real-time data to be integrated into IIROC surveillance tools. The Trading and Disclosure department of **egX** Canada may conduct parallel UMIR surveillance as part its IIROC oversight and will conduct non-UMIR surveillance as part of its timely disclosure and insider activity reviews. IIROC will impose regulatory halts, delays and suspensions in trading on **egX** Canada. All UMIR issues brought to the attention of **egX** Canada will be referred to IIROC as set out in the RSA. **egX** Canada intends to rely on IIROC to monitor and enforce acceptable sales practices as all **egX** Participants are required to be and to remain dealer members in good standing of IIROC.

egX Canada is required to ensure that the market surveillance department of IIROC maintains appropriate systems, resources and procedures to perform market surveillance, trade desk review, and investigation and enforcement services. **egX** Canada will regularly assess the performance of the market surveillance department of IIROC and report to the **egX** Canada Board and the securities regulatory authorities. **egX** Canada has committed in the RSA to promptly provide to IIROC any information that IIROC requires to fulfill its duties under the RSA or as a self-regulatory entity. **egX** Canada and IIROC will develop policies and procedures reasonably designed to ensure that **egX** Canada may make the assessments of the market surveillance department of IIROC as are required under the BCSC Recognition Order.

In order to support compliance departments of **egX** Participants, **egX** Canada will make available several tailored reports detailing orders and trades entered on **egX** Canada.

5.1.3(d) Disciplining egX Participants

Any breaches of the Trading Rules will result in appropriate regulatory action as set out in Section 9 of the Trading Rules. Any suspected violations of securities legislation will be referred to the BCSC and other securities regulators.

The Trading Rules contain criteria and processes for taking regulatory action against an **egX** Participant, such as suspending or terminating an **egX** Participant's admission or imposing restrictions on their rights and privileges (Section 9.1-3).

The Trading Rules contain processes for the review of any decision made by **egX** Canada that affects an **egX** Participant. Any person directly affected by an **egX** Canada decision can request a review of that decision (Section 10).

5.1.4 Record Keeping

egX Canada will maintain all required records, and audit trail information on all orders entered and trades executed on the exchange. **egX** Canada will also maintain records of violations identified by **egX** Canada of its listings policies, Trading Rules and UMIR and referrals of suspected breaches of securities legislation.

PART 6	RULEMAKING
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6.1 Purpose of Rules

- (a) **egX** Canada's rules, policies or other similar instruments (Rules) are designed to govern the operations and activities of participants and issuers.
- (b) In addition to meeting the requirements of section 5.3 of NI 21-101, the Rules are designed to:
 - (i) provide a framework for disciplinary and enforcement actions, and
 - (ii) ensure a fair and orderly market.

Response:

The Trading Rules and Listings Manual (and new Listings Manual) contain rules and policies that meet the regulatory goals of this criterion as described below. The rules and policies are not contrary to the public interest, require compliance with securities legislation and are designed to prevent fraudulent and manipulative acts and practices. They also provide a framework for disciplinary actions and ensure a fair and orderly market.

6.1(a) Rules and Policies Govern Operations and Activities of Participants and Issuers

egX Canada has established rules and policies for listed issuers and participants. The Listings Manual and Trading Rules have been non-objected to by the BCSC. Changes to the Trading Rules and the Listings Manual are subject to the regulatory instrument review protocol with the BCSC and proposals for substantive amendment will be published for comment. **egX** Canada has filed the new Listings Manual with the BCSC and published it for comment, and is working on amendments to the Trading Rules.

egX Canada's regulatory structure, policies and practices have been designed to monitor and enforce compliance with regulatory requirements and to promote coordination with securities regulatory authorities, IIROC, and CDS. The Rules do not promote unreasonable discrimination nor do they impose an unreasonable or inappropriate burden on competition. Listing fees are intended to compare favourably with fees for real estate transactions and are calculated based on the value of securities issued, which is consistent with how fees are charged by other securities exchanges. The Rules provide a framework for taking appropriate action against **egX** Participants or listed issuers in breach of **egX** Requirements and for referral to the appropriate authorities as applicable. The Trading Rules are designed to ensure a fair and orderly market for trading real estate related securities.

6.1(b) Discipline - egX Listed Issuers

The Listings Manual contains criteria and processes for taking regulatory action against a listed issuer, such as trading halts (Section 15.2-2 of the current Listings Manual and Section C5.4 of the new Listings Manual), trading suspensions (Section 15.3-1 of the current Listings Manual and Section C5.9 of the new Listings Manual), the delisting of listed securities (Section 15.4-1 of the current Listings Manual and Section C5.14 of the new Listings Manual), and decisions on unacceptable listed issuer transactions (Section 18.2-4 of the current Listings Manual and Sections D1.3 and D2.3 of the new Listings Manual).

Any breaches of the Listing Agreement or Listings Manual will result in appropriate regulatory action as set out in Policies 12 and 15 of the current Listings Manual and Policy C5 of the new Listings Manual. Any possible violations of securities legislation will be referred to the BCSC and other securities regulators.

Discipline - egX Participants

egX Canada will ensure, through cooperation with IIROC and otherwise, that any person subject to its regulation is appropriately disciplined for violations of securities legislation and the Trading Rules (Section 9 of the Trading Rules). egX Canada will report violations of UMIR and securities legislation to IIROC and the relevant securities regulatory authorities, as applicable.

The Trading Rules and related forms provide the means for egX Canada and IIROC to regulate egX Participants and their conduct on the egX marketplace. Section 4.1 of the Trading Rules requires an egX Participant to comply with the egX requirements on an ongoing basis. Section 9 of the Trading Rules authorizes egX Canada to halt or suspend trading privileges when an egX Participant has defaulted in its clearing and settlement requirements.

Dispute Procedures

There will be a review process for enforcement actions initiated by the egX Canada Compliance division such as suspensions, delisting and partner/director/officer suitability decisions. Part 7 Due Process contains additional details.

PART 7	DUE PROCESS
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7.1 Due Process

For any decision made by egX Canada that affects a participant or issuer, including a decision related to access, listing, exemptions, or discipline, egX Canada ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) egX Canada keeps a record, gives reasons and provides for appeals of its decisions.

Response:

As set out in Section 1.14 of the Trading Rules and Section 1.11 of the current Listings Manual (Section A1.1 of the new Listings Manual), when exercising its discretion, egX Canada will have regard to its obligations, duties, powers and discretions in operating a recognized Canadian stock exchange. The Guidance to the BCSC Recognition Order also provides that egX Canada should consider documenting or explaining how it has accounted for the public interest when it takes compliance action, makes access decisions and takes disciplinary decisions.

In addition to the public interest mandate of egX Canada, a number of specific provisions in the Trading Rules and Listings Manual also ensure that egX Canada will follow due process in making decisions that affect a participant or issuer.

Participants

There are limited circumstances in which egX Canada may reject an application to become an egX Participant or terminate an egX Participant's admission.

As set out in Section 3.4-2 of the Trading Rules, egX Canada must not reject an application made under Rule 3.1 unless, before doing so, it:

- (a) gives notice to the Applicant of the reasons why it proposes to reject the application,
- (b) gives the Applicant a period of time at the discretion of egX Canada in which to provide additional information or otherwise to take steps to address the reasons stated in the notice, and
- (c) after the end of the period referred to above in paragraph (b), considers whether any additional information provided or steps taken by the Applicant address the reasons in the notice.

Under Section 3.4-3, if, after following the procedure in Section 3.4-2, egX Canada is not satisfied that the Applicant meets the admission requirements, egX Canada will give notice to the Applicant rejecting the application and giving reasons why the application is rejected.

Section 9.2-2 of the Trading Rules specifies that egX Canada must not terminate the admission of an egX Participant unless egX Canada first gives the egX Participant an opportunity to appear in person or be represented before egX Canada, or file with egX Canada a written submission for consideration by egX Canada, or both, at the option of the egX Participant.

Even after these processes, an Applicant or **egX** Participant can request a review of the decision. Under the review process, which is described in more detail below, an **egX** Participant can also request a review of an exemption or discipline decision affecting that participant.

Issuers

Section 8.6-5 of the current Listings Manual provides that if **egX** Canada refuses to accept an application for an Initial Listing, **egX** Canada must provide the Applicant with written reasons for the refusal and the Applicant will be entitled to request a review of the decision.

Section 19.2-3 of the current Listings Manual provides that **egX** Canada may refuse to accept any individual as a director or senior officer of the Listed Issuer, if **egX** Canada, in its discretion, finds that it is not in the public interest to do so. The Listings Manual currently does not specify that written reasons must be provided, but the general review provisions (discussed below) would apply to this type of decision.

The above matters are covered in Sections B3.7 and C3.5 of the new Listings Manual.

Under the review process, which is described in more detail below, any person affected by a decision of **egX** Canada staff can request a review of that decision. This review would apply to exemption or discipline decisions as well.

Review process

Both the Trading Rules (in Section 10) and the Listings Manual (in Section 5 of the current Listings Manual and Section A3 of the new Listings Manual) currently contain provisions for review meetings to discuss **egX** Canada decisions, including the types of decisions described above. However, **egX** Canada has drafted a more detailed review process, which will set out procedures for review of **egX** Canada decisions, including specific sections on:

- period for requesting a review,
- appointment of and independence of the person or panel conducting a review,
- process for a review (whether it will include written submissions and a hearing), and
- ensuring that there is a written record of the review process and decision.

egX Canada also intends to make changes to address the processes for notifying affected persons of **egX** Canada decisions, including providing written reasons.

These proposed changes to the Trading Rules and Listings Manual must be reviewed by the BCSC under the regulatory instrument review protocol.

Appeals

Under Section 28 of the *Securities Act* (BC), a person directly affected by a direction, decision, order or ruling made under a bylaw, rule or other regulatory instrument or policy of an exchange may apply by notice to the BCSC for a hearing and review of the matter.

PART 8	SYSTEMS AND TECHNOLOGY
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8.1 Systems and Technology

*Each of **egX** Canada's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information and, in addition, has sufficient capacity and business continuity plans to enable **egX** Canada to properly carry on its business. Critical systems are those that support the following functions listed in Part 12 of NI 21-101:*

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting, and

- (e) *trade comparison,*
- and the following additional functions:*
- (f) *data feeds,*
- (g) *market surveillance,*
- (h) *trade clearing, and*
- (i) *financial reporting.*

8.2 Information Technology Risk Management Procedures

egX Canada has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

Response:

egX Canada has appropriate internal controls to manage information and sufficient capacity to enable it to operate the **egX** Marketplace.

8.1(a) Internal Controls

egX Canada has appointed PricewaterhouseCoopers to review OMX Technology's processes and controls. The ambit of the review was determined in consultation with the BCSC.

egX Canada will ensure adequate procedures are in place to ensure the competence, integrity and authority of system users. The Trading Rules set out the requirements for all Applicants seeking admission as **egX** Participants and trading permission as Designated Traders. **egX** Canada requires all individuals applying for access to trade to be qualified in terms of experience, formal education and knowledge of the Trading Rules, as well as the trading rules established by IIROC. **egX** Canada will develop a marketplace participant training program for all participants granted access to the **egX** Trading System.

System users must comply with the following requirements to gain access to the **egX** Trading System:

- completion of the **egX** Participant training program,
- submission of Form 3 requesting **egX** Canada to accept a Designated Trader, and
- qualifications as to experience, formal education and knowledge of the Trading Rules established by **egX** Canada from time to time, as well as the rules of IIROC.

The Trading Rules detail **egX** Participant requirements with regard to system access and supervision. Specifically, an **egX** Participant must maintain and enforce at all times appropriate security arrangements designed to prevent unauthorized entry of orders into the **egX** Trading System (Section 5.3-3). Further, all Designated Traders must comply with the requirements as set out by **egX** Canada and IIROC (Sections 4.1, 7.4-3 and 9.3).

egX Canada has made the following arrangements to ensure the **egX** Trading System is secure:

- the **egX** Trading System is password protected and users must sign in to market and database applications using unique log-on information,
- computers running these applications are kept in secure office space with access restricted to authorized **egX** Canada staff, and
- **egX** Canada has engaged Pricewaterhouse Coopers to review OMX Technology's information technology processes and controls.

8.1(b) Capacity

As a start-up exchange, **egX** Canada anticipates low volumes initially. However, the **egX** Trading System designed by OMX Technology is expected to far exceed projected **egX** Canada business capacity requirements. We are relying on OMX

Technology, as the provider of our operating system, to ensure that we meet industry standards. OMX Technology is a company that is considered to have expertise in the general industry standards for building trading systems. They have built systems for many exchanges around the world.

The initial hardware and network design will meet business growth projections for the next three to five years. Despite this, **egX** Canada has designed an infrastructure that is easily scalable should the need arise.

8.1(c) Business Continuity Plans

egX Canada operation units are developing business continuity plans to ensure complete system and business recovery.

8.2 Risk Management Procedures

egX Canada has procedures in place that will handle the cancellation of trades as a result of trading errors and will liaise with IIROC where appropriate regarding trading halts and circuit breakers. As these situations arise, Marketplace Operations staff will make the required trading status changes. When trade cancellation requests are made on attributed trades, Marketplace Operations staff will facilitate the cancellation process by providing general contact information for the contra side of the trade. If either Participant is unattributed, Marketplace Operations staff will make the cancellation request on behalf of the requesting Participant. If the contra side agrees to the cancellation, Marketplace Operations will cancel the trade. In cases where it appears the trade being cancelled may have led to subsequent market activity, Marketplace Operations will liaise with IIROC prior to cancelling the trade to ensure market integrity is protected.

IIROC will coordinate, and has sole discretion over, all clearly erroneous trade cancellation requests. IIROC maintains an internal policy to cover all such requests.

The trading system also has flexible freeze parameters to help ensure orderly and efficient market activity. Trades to occur outside of set parameters will automatically delay to allow review by Marketplace Operations staff who will contact relevant parties as required.

PART 9 FINANCIAL VIABILITY AND REPORTING

9.1 Financial Viability

egX Canada has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

Response:

Liquid Financial Assets and Working Capital

egX Canada will maintain the following:

- (a) liquid financial assets amounting to at least six months operating costs and capital expenditure requirements, and
- (b) working capital at least equal to the amount of six months operating costs and capital expenditure requirements,

where:

- (c) liquid financial assets are defined as cash and near cash assets, and
- (d) working capital is defined as current assets less current liabilities.

Within 45 days after each quarter end, **egX** Canada will provide to the BCSC a report comparing current liquid financial assets and working capital against future operating costs and capital expenditure requirements in the budget for each month of the next six months. This report will also discuss the appropriateness of the calculations and whether alternative calculations should be considered.

If **egX** Canada does not have sufficient working capital to meet its projected capital expenditures and operating costs for the subsequent six months, the President of **egX** Canada will immediately deliver a letter advising the BCSC and other securities regulatory authorities (as appropriate) of the reason for the deficiencies, and the steps being taken to rectify the problem.

In this letter, **egX** Canada will also commit not to make, without the prior approval of BCSC's Director of Capital Market Regulation, any capital expenditure not already reflected in **egX** Canada's budget or committed to in its financial statements, nor any loan, bonus, dividend or other distribution of assets to any director, officer, affiliate or securityholder until the deficiencies have been eliminated.

Annual Budget

On an annual basis, **egX** Canada will prepare an annual budget outlining operating costs and capital expenditure requirements for each month. This budget will be reviewed by the executive officers of both **egX** Canada and **egX** Group. The budget will be presented to both the **egX** Group board and the **egX** Canada Board for review and approval.

Financial Statements

Under the BCSC Recognition Order, **egX** Canada is required to file unaudited quarterly financial statements. However, the BCSC has agreed to accept the consolidated quarterly and annual financial statements of **egX** Group until the **egX** Marketplace is launched. After the **egX** Marketplace has been launched, **egX** Canada will file its own quarterly financial statements as required by the BCSC Recognition Order.

PART 10 CLEARING AND SETTLEMENT

10.1 Clearing Arrangements

***egX** Canada has appropriate arrangements for the clearing and settlement of transactions through a clearing agency that is appropriately regulated by a securities regulatory authority.*

Response:

CDS has confirmed that it will provide to **egX** Canada clearing and settlement services as set out in its rules, procedures and other documentation.

Both the OSC and the Quebec Autorité des marchés financiers have recognized CDS under securities legislation. The OSC Order that recognizes CDS includes terms and conditions relating to governance, fitness of directors and officers, access, fees and costs, due process, risk controls, financial viability, operational reliability, capacity and integrity of systems, protection of customer's securities, rulemaking and enforcement, and information sharing. CDS is also regulated by the Bank of Canada under the *Payment Clearing and Settlement Act* (Canada).

PART 11 TRANSPARENCY

11.1 Transparency

***egX** Canada has adequate arrangements for satisfying its pre-trade and post-trade information transparency obligations under Part 7 of NI 21-101. This information is provided to all participants on an equitable basis.*

Response:

egX Canada will have arrangements in place to satisfy its pre-trade and post-trade information transparency obligations under Part 7 of NI 21-101, and will ensure that the information is provided to participants on an equitable basis.

PART 12 OUTSOURCING

12.1 Outsourcing

*Where **egX** Group and **egX** Canada have outsourced any of their key functions including to an affiliate, each has appropriate, formal arrangements and processes in place that permit each to meet its obligations, and are in accordance with industry best practices.*

Response:

The BCSC Recognition Order requires **egX** Canada to obtain the BCSC's consent before entering into outsourcing arrangements. Outsourcing arrangements will be formalized and in accordance with industry best practices. This will enable **egX** Canada to meet its obligations. At present, the only outsourcing arrangement is the RSA. **egX** Canada is also finalizing an agreement with **egX** Markets Inc., under which **egX** Markets will provide systems and services to **egX** Canada, including management services for the compilation and distribution of market information, management of the configuration,

customization and implementation of the **egX** Canada Trading System as well as acquisition, management and support of office systems and equipment. To the extent that **egX** Group outsources any key function related to the operations of **egX** Canada, it will also ensure that the agreements are formalized and in accordance with industry best practices.

PART 13 INFORMATION SHARING AND REGULATORY COOPERATION

13.1 Information Sharing and Regulatory Cooperation

egX Group and **egX** Canada have mechanisms in place to ensure that each is able to cooperate, by sharing information or otherwise, with the Commission and its staff, self-regulatory organizations, other exchanges, investor protection funds, and other appropriate regulatory bodies.

Response:

egX Canada will have mechanisms in place to ensure its information sharing obligations are satisfied in a cooperative, comprehensive manner, and on a timely basis. Some of these mechanisms may include information sharing protocols with the BCSC and other securities regulatory authorities.

The *Memorandum of Understanding about the Oversight of Exchanges and Quotation and Trade Reporting Systems* approved by the Ontario Minister of Finance on November 7, 2002 governs information and oversight of certain stock exchanges. **egX** Canada looks forward to amendment of the MOU, or to the execution of a new MOU between securities regulatory authorities, to include information sharing and oversight arrangements for **egX** Canada.

Section 153 of the Act gives the OSC broad powers to provide and receive information from stock exchanges. Similarly, Section 169.1 of the *Securities Act* (BC) gives the BCSC powers to collect and share information with exchanges.

As well, the BCSC Recognition Order requires that **egX** Canada assist other regulatory authorities in regulatory matters, and share information and cooperate with:

- (a) the BCSC and other Canadian securities regulatory authorities,
- (b) recognized exchanges,
- (c) recognized regulation services providers,
- (d) recognized self-regulatory organizations,
- (e) recognized clearing agencies,
- (f) other regulatory authorities responsible for supervising or regulating securities firms or financial institutions,

subject to privacy or other laws about the collection, use and disclosure of personal and business information.

egX Canada is willing to work with investor protection funds to create a workable mechanism to share information with those entities.

In addition to the data availability described in Part 11 Transparency, **egX** Canada has been working with IIROC and TSX (which provides the surveillance technology to IIROC) to provide a direct feed into IIROC's surveillance platform (SMARS). However, as IIROC will not be able to take the direct feed immediately, in the interim, **egX** Canada will provide IIROC with a stand-alone tool that will connect to the **egX** Canada direct feed.

The Privacy Policy (described in 2.1(e) above) sets out the obligations of both **egX** Group and **egX** Canada with respect to the information they collect, use or disclose. Although consent of a client or employee is generally required to collect, use or disclose personal information, **egX** Canada and **egX** Group may collect, use or disclose this type of information:

- to administer and assist in administering applicable bylaws, rules or regulatory instruments or policies governing the conduct and protection of the public markets, or
- as required by law, regulation or court order.

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

AND

IN THE MATTER OF
egX Group Inc.

AND

egX Canada Inc.

ORDER

(Section 147 of the Act)

WHEREAS egX Group Inc. (egX Group) and egX Canada Inc. (egX Canada) have filed an application dated June 23, 2008 (the Application) with the Ontario Securities Commission (Commission) requesting that the Commission make an order pursuant to section 147 of the Act exempting egX Group and egX Canada from the requirement to be recognized as a stock exchange under section 21 of the Act;

AND WHEREAS egX Group and egX Canada have represented to the Commission as follows:

1. egX Group was incorporated on December 12, 1977 under the *Companies Act* (British Columbia) and maintains its head office in British Columbia;
2. egX Canada was incorporated on November 15, 2004 under the *Canada Business Corporations Act* and is a wholly owned subsidiary of egX Group;
3. egX Group is a public company and is listed on the TSX Venture Exchange;
4. egX Canada will operate a stock exchange for real estate-related securities;
5. The British Columbia Securities Commission (BCSC) has recognized egX Canada as an exchange under section 24 of the *Securities Act* (British Columbia) pursuant to an order dated March 14, 2007, as amended by order dated May 28, 2008 (collectively, BCSC Order), attached as Appendix B to this exemption order;
6. egX Canada is subject to regulatory oversight by the BCSC which includes:
 - (i) reviewing Form 21-101F1 and the information filed by egX Canada on financial and operational matters,
 - (ii) reviewing and approving changes to egX Canada's regulatory instruments, procedures and practices pursuant to the Regulatory Instrument Review Protocol between egX Canada and the BCSC (Rule Protocol), and
 - (iii) conducting an oversight program of egX Canada to ensure that it meets appropriate standards for market operation and regulation;
7. egX Canada has retained Market Regulation Services Inc., now the Investment Industry Regulatory Organization of Canada (IIROC) as a regulation services provider under National Instrument 23-101 *Trading Rules* (NI 23-101) to provide certain market regulation services to egX Canada under a regulation services agreement executed on February 28, 2008 (the Regulation Services Agreement);
8. egX Canada has established a regulatory oversight committee (ROC) whose mandate is to oversee the performance of regulatory functions, ensure the adequacy of resources allocated to these functions, and review regulatory policy proposals;
9. CDS Clearing and Depository Services is the clearing agency for all trades on the exchange;

AND WHEREAS egX Group and egX Canada have agreed to the terms and conditions applicable to each one of them as set out in Appendix A;

AND WHEREAS based on the Application and subject to the representations and undertakings made by egX Group and egX Canada, the Commission is satisfied that exempting egX Group and egX Canada will not be prejudicial to the public interest;

The Commission hereby exempts egX Group and egX Canada from recognition as a stock exchange pursuant to section 147 of the Act on the terms and conditions set out in Appendix A to this order.

DATED **, 2008.

APPENDIX A

Terms and Conditions

I. GENERAL

Criteria

1. egX Group and egX Canada must continue to meet the criteria attached as Schedule 1 and will notify the Commission of material changes to the facts included in the Application.

Information Sharing

2. Upon request by the Commission to the BCSC, egX Group and egX Canada will provide to the Commission through the BCSC any information in the possession of egX Group or egX Canada, or over which egX Group or egX Canada has control relating to egX Participants as defined in egX Canada's Trading Rules (egX Participants), issuers, shareholders and the market operations of egX Canada, including but not limited to shareholder and egX Participant lists, products, trading information and disciplinary decisions.

Submission to Jurisdiction and Agent for Service

3. egX Group and egX Canada will submit to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of egX Group and egX Canada in Ontario.
4. egX Group and egX Canada will file with the Commission a valid and binding appointment of agent for service in Ontario upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning egX Group and egX Canada's activities in Ontario.

II. egX GROUP

Regulation of egX Group

5. egX Group will maintain its reporting issuer status in British Columbia and in the event that at any time, egX Group ceases to be a reporting issuer in British Columbia, it will immediately notify the Commission.

Governance

6. egX Group will ensure that at least fifty percent (50%) of its directors will be independent. A director is independent if he or she is independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*, as amended from time to time. For greater certainty, an associate, director, officer or employee of an egX Participant will not be considered independent.

Allocation of Resources and Financial Viability

7. (a) egX Group will, subject to paragraph 7(b) and for so long as egX Canada carries on business as a stock exchange, allocate sufficient financial and other resources to egX Canada to ensure that egX Canada can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part III of this Appendix A.
(b) egX Group will notify the Commission immediately upon becoming aware that it is or will be unable to allocate sufficient financial and other resources to egX Canada to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of Part III of this Appendix A. egX Group will also advise the Commission of the steps being taken to rectify the situation.
8. egX Group must continue to report to the BCSC, on a quarterly basis, its capital that is available to fund cash flow requirements for egX Group and its subsidiaries for the subsequent six-month period and its plans to deal with any cash flow deficiency for the six-month period (financial viability report). egX Group will provide the Commission with copies of the financial viability reports filed with the BCSC and notify the Commission of any changes to the format or content of these reports.

9. egX Group must file with the Commission audited annual consolidated financial statements within 120 days of each year end and unaudited quarterly consolidated financial statements within 60 days of each quarter end, or such shorter period as is mandated for reporting issuers to file such financial statements under applicable securities legislation.

Compliance

10. egX Group must carry out its activities as a stock exchange exempted under section 21 of the Act. egX Group will do everything within its control to cause egX Canada to carry out its activities as an exchange exempted from recognition under section 21 of the Act, and to comply with the terms and conditions in Part III of this Appendix A.

PART III egX CANADA

Regulation of egX Canada

11. egX Canada must continue to be recognized as an exchange by the BCSC in accordance with the terms and conditions set out in the BCSC Order attached as Appendix B to this exemption order.
12. egX Canada must continue to be subject to any joint regulatory oversight as may be established and prescribed by the BCSC and the Commission from time to time.

Governance

13. egX Canada must ensure that at least fifty percent (50%) of its directors will be independent. A director is independent if he or she is independent within the meaning of section 1.4 of National Instrument 52-110 *Audit Committees*, as amended from time to time. For greater certainty, an associate, director, officer or employee of an egX Participant will not be considered independent.
14. The ROC must be composed of at least 50% of independent members as defined in term and condition 13 above.

Access

15. egX Canada will not provide direct access to persons or companies in Ontario unless they are appropriately registered to trade in securities in Ontario. egX Canada must require them to notify it immediately if their registration has been revoked, suspended or amended by the Commission and following such notice, egX Canada will promptly and appropriately restrict access.

Regulation of Participants on egX Canada

16. egX Canada must continue to retain IIROC as a regulation services provider to provide to egX Canada certain regulation services which have been approved by the BCSC.
17. As set out in the Regulation Services Agreement, IIROC will be entitled to exercise all the authority of egX Canada with respect to the administration and enforcement of the Universal Market Integrity Rules (UMIR) and other related rules, policies and guidance.
18. egX Canada shall continue to perform all other regulation functions not performed by IIROC.
19. egX Canada must provide the Commission through the BCSC with copies of the following documents provided to the BCSC under the BCSC Order:
- (a) the list of regulatory services provided by IIROC and services carried out directly by egX Canada and any updates made thereto, and
 - (b) the report of egX Canada's assessment of IIROC's performance and recommendations for improvements, and egX Canada's proposed actions to take as a result.

Regulation of Issuers on egX Canada

20. Three years after the date of this order, egX Canada must self-assess its performance with respect to monitoring and enforcing its timely disclosure requirements on its issuers. Such self-assessment must include an assessment of the effectiveness of the Regulatory Co-operation Protocol with IIROC. egX Canada must file its self-assessment, together with any recommendations for improvements, with the Commission within 90 days following the completion of the assessment.

Rules and Rule-Making

21. egX Canada must concurrently provide the Commission with copies of all rules, policies and other regulatory instruments that it files for review and approval with the BCSC under the Rule Protocol. Once the BCSC has approved the rules, egX Canada will provide copies of all final rules, policies and other regulatory instruments to the Commission within two weeks of approval by the BCSC.

Financial Viability

22. egX Canada must file with Commission all financial reports and financial statements that it provides to the BCSC.
23. If egX Canada does not have sufficient working capital to meet its projected capital expenditures and operating costs for the subsequent six months, egX Canada will file with the Commission a copy of the letter delivered by its President to the BCSC advising the BCSC of the reason for the deficiency, and the steps being taken to rectify the problem.

Outsourcing

24. egX Canada must obtain the approval of the BCSC prior to making any material amendments to any outsourcing arrangement of a key regulatory function.

Filing Requirements

25. egX Canada shall file with the Commission, concurrently with filing the information with the BCSC, any related information concerning egX Canada that is required pursuant to National Instrument 21-101 *Marketplace Operation*, including the report relating to the independent systems review.

Reporting Issuer Status

26. egX Canada must require any issuer that is listed on the exchange operated by egX Canada and has a significant connection to Ontario to make application to become a reporting issuer in Ontario.
27. egX Canada must require any issuer that is listed on the exchange operated by egX Canada that is not a reporting issuer in Ontario or Quebec to comply with Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

SCHEDULE 1

Criteria for Exemption of egX Canada and egX Group from Recognition as a Stock Exchange in Ontario

PART 1 REGULATION OF THE EXCHANGE

egX Canada is recognized by another securities commission or similar regulatory authority in Canada and is, and will continue to be, in compliance with NI 21-101 and NI 23-101, each as amended from time to time.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of egX Group and egX Canada ensure:

- (a) effective oversight of egX Canada,
- (b) egX Group and egX Canada's business and regulatory decisions are in keeping with their public interest mandate,
- (c) fair, meaningful and diverse representation on the Board and any committees of the Board, including a reasonable proportion of independent directors,
- (d) a proper balance among the interests of the different persons or companies accessing the facilities and/or services of egX Canada,
- (e) egX Group and egX Canada have policies and procedures to appropriately identify and manage conflicts of interest,
- (f) each director or officer, and each person or company that owns or controls, directly or indirectly, more than 10% of egX Group and egX Canada is a fit and proper person, and
- (g) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors and officers.

PART 3 FEES

3.1 Fees

- (a) All fees imposed by egX Canada are equitably allocated and fees do not have the effect of creating unreasonable barriers to access.
- (b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 4 ACCESS

4.1 Fair Access

- (a) egX Canada has established appropriate written standards for access to its services including requirements for participants to be appropriately registered under Ontario securities laws or exempted from these requirements.
- (b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

PART 5 REGULATION OF PARTICIPANTS AND ISSUERS ON egX CANADA

5.1 Regulation

egX Canada has the authority, capacity, systems and processes to undertake its regulation functions by setting requirements governing the conduct of its participants and issuers, monitoring their conduct, and appropriately disciplining them for violations of egX Canada requirements.

PART 6 RULEMAKING

6.1 Purpose of Rules

- (a) egX Canada's rules, policies or other similar instruments (Rules) are designed to govern the operations and activities of participants and issuers.
- (b) In addition to meeting the requirements in section 5.3 of NI 21-101, the Rules are designed to
 - (i) provide a framework for disciplinary and enforcement actions, and
 - (ii) ensure a fair and orderly market.

PART 7 DUE PROCESS

7.1 Due Process

For any decision made by egX Canada that affects a participant or issuer, including a decision related to access, listing, exemptions, or discipline, egX Canada ensures that:

- (a) parties are given an opportunity to be heard or make representations, and
- (b) egX Canada keeps a record, gives reasons and provides for appeals of its decisions.

PART 8 SYSTEMS AND TECHNOLOGY

8.1 Systems and Technology

Each of egX Canada's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and in addition, has sufficient capacity and business continuity plans to enable egX Canada to properly carry on its business. Critical systems are those that support the following functions listed in Part 12 of NI 21-101:

- (a) order entry,
- (b) order routing,
- (c) execution,
- (d) trade reporting, and
- (e) trade comparison,

and, the following additional functions:

- (f) data feeds,
- (g) market surveillance,
- (h) trade clearing, and
- (i) financial reporting.

8.2 Information Technology Risk Management Procedures

egX Canada has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 9 FINANCIAL VIABILITY AND REPORTING

9.1 Financial Viability

egX Canada has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 10 CLEARING AND SETTLEMENT

10.1 Clearing Arrangements

egX Canada has appropriate arrangements for the clearing and settlement of transactions through a clearing agency that is appropriately regulated by a securities regulatory authority.

PART 11 TRANSPARENCY

11.1 Transparency

egX Canada has adequate arrangements for satisfying its pre-trade and post-trade information transparency obligations under Part 7 of NI 21-101. This information is provided to all participants on an equitable basis.

PART 12 OUTSOURCING

12.1 Outsourcing

Where egX Group and egX Canada have outsourced any of their key functions including to an affiliate, each has appropriate, formal arrangements and processes in place that permit each to meet its obligations, and are in accordance with industry best practices.

PART 13 INFORMATION SHARING AND REGULATORY COOPERATION

13.1 Information Sharing and Regulatory Cooperation

egX Group and egX Canada have mechanisms in place to ensure that each is able to cooperate, by sharing information or otherwise, with the Commission and its staff, self-regulatory organizations, other exchanges, investor protection funds, and other appropriate regulatory bodies.

APPENDIX B

COR#07/022

Recognition Order

egX Canada Inc.

Section 24 of the *Securities Act*, RSBC 1996, c. 418

- ¶ 1 egX Canada Inc., a subsidiary of Global Financial Group Inc. (GFG), has applied for recognition as an exchange in British Columbia under section 24 of the Act.
- ¶ 2 egX represents that it will operate an exchange for real estate related securities, will maintain its head office in British Columbia, and will:
- (a) provide listing and corporate finance services;
 - (b) perform listed issuer regulation functions;
 - (c) provide trading services to its participants; and
 - (d) perform market regulation functions.
- ¶ 3 In addition to being required to comply with the requirements of the Act, National Instrument 21-101 Marketplace Operations (NI 21-101), and National Instrument 23-101 Trading Rules (NI 23-101), egX has agreed to comply with Schedules A and B to this order.
- ¶ 4 Based on the application and the representations, acknowledgements, and undertakings made by egX and GFG, the Commission is satisfied that recognizing egX will not be prejudicial to the public interest.
- ¶ 5 The Commission recognizes egX as an exchange under section 24 of the Act and does not object to the egX Trading Rules and Listings Manual so long as egX
- (a) before operating as an exchange, complies with Schedule A, and
 - (b) complies with Schedule B, the Act, NI 21-101 and NI 23-101.
- ¶ 6 This recognition will continue until the Commission, after giving egX an opportunity to be heard, revokes or varies it.
- ¶ 7 March 14, 2007

Douglas M. Hyndman
Chair

Schedule A – Pre-operating conditions

egX's recognition is conditional on egX, before it begins operating as an exchange:

- (a) confirming to the Commission that its connectivity with Market Regulation Services Inc. is complete and it has entered into an agreement with RS for market regulation services;
- (b) confirming to the Commission that its connectivity with CDS is complete and that it has entered into an agreement with CDS for clearing and settlement services;
- (c) filing with the Commission an audit review report of egX's trading systems;
- (d) filing with the Commission an external and internal vulnerability test report on egX's non-trading systems; and
- (e) confirming to the Commission that all steps necessary to begin exchange operations have been taken, as set out in the business plan egX filed with its application for recognition.

Schedule B – Conditions of Recognition

Public interest

1. egX must regulate listed issuers and its market to serve the public interest in protecting investors and market integrity. It must articulate and ensure it meets a clear public interest mandate for its regulatory functions.

Corporate governance

2. egX's corporate governance system must ensure effective oversight of egX's management and regulatory functions.
3. egX must ensure that each director, officer, and significant security holder¹ is a fit and proper person² for that role.

Conflicts of interest

4. egX must effectively identify and manage conflicts of interest.

Access

5. egX must have fair access criteria for its trading and listing services, and apply them fairly and transparently.

Financial viability and reporting

6. egX must have sufficient financial resources to perform its functions and meet its responsibilities.
7. egX must:
 - (a) report quarterly to the Commission what capital is available and why that capital is sufficient to ensure egX can perform its functions and meet its responsibilities for the next six months;
 - (b) report immediately to the Commission when it does not have sufficient capital for the next six months, setting out the reasons for the deficiency and the steps egX will take to rectify the deficiency; and
 - (c) file unaudited quarterly financial statements within 60 days of each quarter's end prepared according to generally accepted accounting principles.³

Compliance and control systems

8. egX must maintain an effective system for compliance with the securities legislation and this recognition order, as well as its own internal policies and procedures.
9. egX must maintain controls to manage the risks associated with its business, including an annual review of its contingency and business continuity plans.

Outsourcing

10. egX must obtain the Commission's consent before entering into an outsourcing arrangement.

Clearing and settlement

11. egX must make appropriate arrangements for clearing and settlement through a recognized clearing agency.

Regulation

12. egX must regulate its marketplace effectively.

Regulatory instrument review process

13. egX must follow the regulatory instrument review process established by the Commission from time to time.

¹ A significant security holder holds 10% or more beneficial ownership or voting control.

² A fit and proper person is (a) appropriately qualified for that role by education and experience, and (b) of good character and integrity.

³ egX must also file annual audited financial statements (section 5.6, NI 21-101).

Accountability

14. At least quarterly, egX must report to the Commission all significant issuer non-compliance, with information acceptable to the Commission about the issuers and other persons involved, the nature of the deficiencies, and the action taken or planned to deal with the issues.
15. At least quarterly, egX must, directly or through RS, report to the Commission all significant market non-compliance, with information acceptable to the Commission about the participants or other persons involved, the nature of the deficiencies, and the action taken or planned to deal with the issues.
16. At least quarterly, egX must, directly or through RS, report to the Commission all significant exemptions from, or waivers of, its requirements, including information about the issuers or participants involved, the nature of the waivers or exemptions, and the reasons for granting them.
17. At least annually, egX must assess RS's performance and report to egX's board of directors with any recommendations for improvements. egX must provide a copy of the report to the Commission and advise what actions it proposes to take as a result.
18. Annually, egX must provide a self-assessment to the Commission, including reporting against this recognition order and other securities regulation requirements.
19. Annually, egX must provide to the Commission, for its approval, a current list of regulatory services provided by RS and services carried out directly by egX and any proposed amendments to it.
20. Annually, egX must:
 - (a) review and report on each technology system's and each data centre's computer operation's vulnerability to internal and external threats; and
 - (b) report on its review of its contingency and business continuity plans under paragraph 9.
21. egX must promptly report to the Commission any possible significant violations of securities legislation.
22. egX must promptly notify the Commission of any material systems failures and changes.
23. egX must comply with any additional accountability requirements the Commission sets from time to time.

Information sharing and regulatory cooperation

24. To assist other regulatory authorities in regulatory matters, egX must share information and cooperate with
 - (a) the Commission and other Canadian securities regulatory authorities,
 - (b) recognized exchanges,
 - (c) recognized regulation services providers,
 - (d) recognized self-regulatory organizations,
 - (e) recognized clearing agencies, and
 - (f) other regulatory authorities responsible for supervising or regulating securities firms or financial institutions,subject to privacy or other laws about the collection, use, and disclosure of personal and business information.

COR #08/147

Variation Order

egX Canada Inc.

Section 171 of the *Securities Act*, RSBC 1996, c. 418

Background

- ¶ 1 The Commission issued an order on March 14, 2007 under section 24 of the Act (Recognition Order) recognizing egX Canada Inc. (egX) as an exchange, subject to certain conditions.
- ¶ 2 The conditions, attached to the Recognition Order as Schedules A and B, refer to Market Regulation Services Inc. (RS) in several clauses.
- ¶ 3 Effective June 1, 2008, RS will combine its operations with the Investment Dealers Association of Canada to form the Investment Industry Regulatory Organization of Canada (IIROC). After the combination, IIROC will assume RS's function as a regulation services provider.

Order

- ¶ 4 Because it is not prejudicial to the public interest, the Commission orders under section 171 of the Act, that Schedules A and B of the Recognition Order are varied as follows:
1. each reference to Market Regulation Services Inc. is replaced with a reference to Investment Industry Regulatory Organization of Canada;
 2. each reference to RS is replaced with a reference to IIROC.
- ¶ 5 May 28, 2008 effective June 1, 2008

Brent W. Aitken
Vice Chair

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