The Ontario Securities Commission

OSC Bulletin

May 22, 2009

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 22, 2009

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

SCHEDULED OSC HEARINGS

May 25, 28-June 2, 2009 10:00 a.m. May 26, 2009 2:30 p.m.	**Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay** s.127 M. Boswell in attendance for Staff Panel: ST/PLK
May 25, 2009 10:00 a.m.	**Teodosio Vincent Pangia and Transdermal Corp.** s. 127 J. Feasby in attendance for Staff Panel: LER
May 25, 2009 2:00 p.m.	**M P Global Financial Ltd., and Joe Feng Deng** s. 127 (1) M. Britton in attendance for Staff Panel: JEAT
May 26, 2009 2:30 p.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: JEAT

May 26, 2009 2:30 p.m.	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: JEAT
May 26, 2009 2:30 p.m.	**Paul Iannicca** s. 127 H. Craig in attendance for Staff Panel: JEAT
June 1-3, 2009 10:00 a.m.	**Robert Kasner** s. 127 H. Craig in attendance for Staff Panel: PJL/MCH
June 3, 2009 10:00 a.m.	**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.** s. 127(5) K. Daniels in attendance for Staff Panel: LER/MCH
June 4, 2009 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: DLK/CSP/PLK
June 4, 2009 11:00 a.m.	**Abel Da Silva** s. 127 M. Boswell in attendance for Staff Panel: LER
June 5, 2009 10:00 a.m.	**Andrew Keith Lech** s. 127(10) J. Feasby in attendance for Staff Panel: TBA
June 10, 2009 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
June 15, 2009	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: TBA
June 16, 2009 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork** s. 127 S. Kushneryk in attendance for Staff Panel: LER
June 17-19, 2009 10:00 a.m.	**Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony** s. 127 and 127.1 J. Feasby in attendance for Staff Panel: MGC/MCH
June 22, 24-26, 2009 10:00 a.m. June 23, 2009 2:30 p.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina, A. Clark in attendance for Staff Panel: JEAT/DLK/PLK

June 29, 2009 10:00 a.m.	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 J. Feasby in attendance for Staff Panel: JEAT
June 30, 2009 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 A. Sonnen in attendance for Staff Panel: LER
July 6, 2009 10:00 a.m.	**Lyndz Pharmaceuticals Inc., Lyndz Pharma Ltd., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) & (5) J. Feasby in attendance for Staff Panel: JEAT
July 9, 2009 10:00 a.m.	**Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson** s. 127 E. Cole in attendance for Staff Panel: TBA
July 10, 2009 10:00 a.m.	**Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.** s. 127 M. Boswell in attendance for Staff Panel: LER
July 23, 2009 10:00 a.m.	**W.J.N. Holdings Inc., MSI Canada Inc., 360 Degree Financial Services Inc., Dominion Investments Club Inc., Leveragepro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex ltd., Prosporex Inc., Networth Financial Group Inc., Networth Marketing Solutions, Dominion Royal Credit Union, Dominion Royal Financial Inc., Wilton John Neale, Ezra Douse, Albert James, Elnonieth "Noni" James, David Whitely, Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Trudy Huynh, Dorlan Francis, Vincent Arthur, Christian Yeboah, Azucena Garcia and Angela Curry** s. 127 H. Daley in attendance for Staff Panel: LER
July 27-31; August 5-14, 2009 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) C. Price in attendance for Staff Panel: TBA
August 10-17; 19-21, 2009 10:00 a.m.	**New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
September 3, 2009 10:00 a.m.	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 S. Horgan in attendance for Staff Panel: TBA

September 9, 2009 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 M. Britton in attendance for Staff Panel: LER
September 21-25, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
September 30-October 23, 2009 10:00a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton in attendance for Staff Panel: TBA
October 19-November 10; November 12-13, 2009 10:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 & 127.1 H. Craig in attendance for Staff Panel: TBA
October 20, 2009 10:00 a.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA
November 16, 2009 10:00 a.m.	**Maple Leaf Investment Fund Corp. and Joe Henry Chau** s. 127 A. Sonnen in attendance for Staff Panel: TBA
November 16-December 11, 2009 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 & 127.1 M. Britton in attendance for Staff Panel: TBA
January 11, 2010 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA

TBA

Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA

Frank Dunn, Douglas Beatty, Michael Gollogly

s. 127

K. Daniels in attendance for Staff

Panel: TBA

TBA

Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.

s. 127 and 127.1

Y. Chisholm in attendance for Staff

Panel: JEAT/DLK/CSP

TBA

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA

Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin

s. 127

H. Craig in attendance for Staff

Panel: JEAT/MC/ST

TBA

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

s. 127

J. Superina in attendance for Staff

Panel: TBA

TBA

Gregory Galanis

s. 127

P. Foy in attendance for Staff

Panel: TBA

TBA

Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America

s. 127

C. Price in attendance for Staff

Panel: PJL/ST

TBA

MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric

s. 127 & 127(1)

D. Ferris in attendance for Staff

Panel: PJL/CSP

TBA

Nest Acquisitions and Mergers and Caroline Frayssignes

s. 127(1) and 127(8)

C. Price in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

S. B. McLaughlin

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

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

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

Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy

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

Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Morgan Kimmel, Roger A. Kimmel, Jr., Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler

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

1.1.2 CSA Staff Notice 52-324 - Issues relating to changeover to International Financial Reporting Standards

CSA STAFF NOTICE 52-324
ISSUES RELATING TO CHANGEOVER TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS

Purpose

The Canadian Accounting Standards Board (AcSB) has confirmed that Canadian generally accepted accounting principles (Canadian GAAP) for publicly accountable enterprises will be replaced by International Financial Reporting Standards (IFRS) for fiscal years beginning on or after January 1, 2011.

This notice is an update on issues related to the changeover to IFRS in Canada, including:

- use of IFRS by a domestic issuer[1] for periods beginning prior to January 1, 2011,
- requirements for interim financial statements in the year of IFRS adoption, and
- reference to IFRS and Canadian GAAP.

Exemptive relief for early adoption of IFRS

Domestic issuers may apply for exemptive relief to prepare their financial statements in accordance with IFRS as issued by the International Accounting Standards Board (IASB) for financial periods beginning before January 1, 2011.

As outlined in our June 2008 notice,[2] staff of the Canadian Securities Administrators (CSA staff or we) are prepared to recommend exemptive relief on a case-by-case basis. If a domestic issuer previously filed financial statements for interim periods in the first year that the issuer proposed to adopt IFRS, we will recommend as a condition of the exemptive relief that the issuer file revised interim financial statements prepared in accordance with IFRS, revised interim management discussion and analysis, and new interim certificates. Several exemption orders for early adoption of IFRS have been issued with this condition.

On March 12, 2009,[3] the AcSB published "Adopting IFRSs in Canada, II", which provides further details of the AcSB's strategy to incorporate IFRS into the CICA Handbook – Accounting (Handbook) as Canadian GAAP. In its proposal, the AcSB has stated that it expects to incorporate IFRS into the Handbook in the second half of 2009.

In its proposal, the AcSB states that IFRS as incorporated into the Handbook are effective for publicly accountable enterprises for interim and annual financial statements relating to financial years beginning on or after January 1, 2011 (the mandatory effective date). The proposal also indicates that an entity may choose to adopt IFRS as incorporated into the Handbook before the mandatory effective date but that an entity choosing this option does not have to apply the standards to interim financial statements in the year of adoption, unless required to do so by another authoritative body.

Securities legislation refers to Canadian GAAP as applicable to public enterprises. It defines Canadian GAAP as generally accepted accounting principles determined with reference to the Handbook. Once the AcSB incorporates IFRS into the Handbook, the Handbook will contain two versions of Canadian GAAP for publicly accountable enterprises:

- IFRS (proposed "Part I" of the Handbook), and
- the standards constituting Canadian GAAP before the mandatory effective date (proposed "Part IV" of the Handbook).

Prior to the mandatory effective date, CSA staff consider the standards in proposed Part IV of the Handbook to be Canadian GAAP as applicable to public enterprises for securities legislation purposes. Therefore, a domestic issuer that wants to use IFRS for periods beginning prior to January 1, 2011 must apply for exemptive relief from the requirement to prepare its financial statements in accordance with Canadian GAAP as applicable to public enterprises. We will use the same approach to these applications as discussed above.

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[1] The term "domestic issuer" in this notice refers to a reporting issuer that is not a "foreign issuer" as defined in NI 52-107. Most domestic issuers are incorporated or organized in a Canadian jurisdiction. Depending on its circumstances, an issuer incorporated or organized in a foreign jurisdiction may not meet the definition of "foreign issuer" and would therefore be considered a "domestic issuer."

[2] See CSA Staff Notice 52-321 *Early adoption of International Financial Reporting Standards, use of US GAAP and reference to IFRS-IASB* published June 27, 2008 and CSA Concept Paper 52-402 *Possible changes to securities rules relating to International Financial Reporting Standards* published February 13, 2008

[3] The AcSB's publication "Adopting IFRSs in Canada, II" is available on the AcSB's website at http://www.acsbcanada.org

Issuers that are considering early adoption of IFRS should carefully assess the readiness of their staff, board of directors, audit committee, auditors, investors and other market participants to deal with the change. Issuers should also consider how early adoption would affect their obligations under securities legislation, including those relating to certifications, business acquisition reports, offering documents, and previously released material forward-looking information.

Interim financial statements in the year of IFRS adoption

We propose to require an issuer to disclose compliance with International Accounting Standard 34 *Interim Financial Reporting*[4] in its interim financial statements. The first time a domestic issuer would have to comply with this requirement would be in its first interim financial statements in its financial year beginning on or after January 1, 2011.

We also propose to require a domestic issuer to include a balance sheet that complies with IFRS as at the issuer's "transition date" in its first interim financial statements in the first financial year that the issuer adopts IFRS. An issuer's transition date is the beginning of the earliest comparative period presented in the financial statements. For example, an issuer with a calendar year end will have a transition date of January 1, 2010.

We think that the transition date balance sheet will assist users of an issuer's interim financial statements in understanding the impact of changeover to IFRS. The transition date balance sheet would be subject to the existing requirements in securities legislation relating to auditor review of interim financial statements. For example, if an auditor has not performed a review of interim financial statements required to be filed under National Instrument 51-102 *Continuous Disclosure Obligations*, the statements must be accompanied by a notice indicating that fact. A transition date balance sheet presented in an issuer's annual financial statements would be subject to the external audit required for those statements.

We propose similar requirements for interim financial statements of investment funds subject to National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Reference to IFRS and Canadian GAAP

In our June 2008 notice, we stated that we prefer reference to IFRS as issued by the IASB, rather than Canadian GAAP, in both financial statements and audit reports for domestic issuers. We also indicated we would continue to consider issues relating to the availability of an appropriate French translation of IFRS and reference to both IFRS and Canadian GAAP.

We have continued to discuss these issues with AcSB staff, Canadian Auditing and Assurance Standards Board staff, Canadian Public Accountability Board staff, reporting issuers, auditors, other Canadian and foreign regulators, and other stakeholders.

Based on input from stakeholders and the AcSB's proposal, we propose to allow two options for referring to accounting principles in a domestic issuer's financial statements and accompanying auditor's reports:

- refer only to IFRS in the notes to the financial statements and in the auditor's report, or
- refer to both IFRS and Canadian GAAP in the notes to the financial statements and in the auditor's report.

To implement these two options, we propose to distinguish between the basis of preparation and disclosure requirements. We propose the following requirements for domestic issuers for annual and interim financial statements relating to financial years beginning on or after January 1, 2011:

- issuers must prepare their annual and interim financial statements in accordance with Canadian GAAP for publicly accountable enterprises,
- issuers must make an explicit and unreserved statement of compliance with IFRS[5] in the notes to their annual financial statements, and disclose compliance with International Accounting Standard 34 *Interim Financial Reporting* in their interim financial statements, and
- auditor's reports accompanying an issuer's financial statements must refer to IFRS and be in the form specified by Canadian generally accepted auditing standards for financial statements prepared in accordance with a fair presentation framework.[6]

[4] This standard within IFRS prescribes the contents of, and principles for recognition and measurement for, interim financial reports.
[5] We propose to define IFRS in securities legislation as IFRS as issued by the IASB.
[6] The term "fair presentation framework" is described in proposed Canadian Auditing Standard 700 -"Forming an Opinion and Reporting on Financial Statements."

The AcSB's proposal states that the Handbook provides IFRS in English and French. Therefore, preparers and auditors will be able to use either version to comply with the proposed requirement to prepare financial statements in accordance with Canadian GAAP for publicly accountable enterprises. The proposed requirements ensure reference to IFRS and address the continuing need for some entities to refer to Canadian GAAP to satisfy existing contractual obligations, other federal, provincial and territorial laws, regulatory rules and other statutory or regulatory requirements.

We propose a similar approach for reference to accounting principles by investment funds subject to National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Relief from using the same accounting principles for all periods

We propose to provide relief from the existing requirement in securities legislation for financial statements to be prepared in accordance with the same accounting principles for all periods presented in the financial statements.[7]

If the periods for the financial information straddle a domestic issuer's adoption of IFRS, the proposed relief would allow the domestic issuer to present financial information in certain offering and continuous disclosure documents in accordance with Canadian GAAP alongside financial information prepared in accordance with IFRS.

Meeting filing deadlines

We are aware of the challenges domestic issuers will face to meet the filing deadline for their first interim financial statements beginning on or after January 1, 2011. We are exploring ways to assist issuers with these challenges, including extending the filing deadline for a domestic issuer's first interim filings for a period beginning on or after January 1, 2011.

Next steps

We expect to publish for comment details of our proposals discussed in this notice later this year.

Questions

Please refer your questions to any of the following people:

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[7] See section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*.

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May 21, 2009

1.1.3 Notice of Commission Approval – Proposed Amendments to IIROC Rules 100.2, 100.20, and 400.4 and Form 1 Relating to the Margin Requirements for Precious Metals

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

PROPOSED AMENDMENTS TO RULES 100.2, 100.20, AND 400.4 AND FORM 1 RELATING TO THE MARGIN REQUIREMENTS FOR PRECIOUS METALS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved amendments to IIROC Rules 100.2, 100.20, 400.4 and Form 1 relating to the margin requirements for precious metals. In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the New Brunswick Securities Commission, the Nova Scotia Securities Commission, the Financial Services Regulation Division of the Department of Government Services for Newfoundland and Labrador and the Saskatchewan Financial Services Commission have approved the proposed amendments. In light of the risk level indicated by the analysis submitted by IIROC, the Autorité des marchés financiers approved the proposed amendments provided that IIROC submits, by August 29, 2009, an amendment to Rule 100.2(i)(i) to raise the margin rate for platinum certificates and bullion to 25%.

The objective of the proposed amendments is to (i) allow gold and silver bullion held by IIROC dealer member firms (Dealer Members) and their customers to be margined; (ii) revise the current margin rates to reflect the price volatility and liquidity risk associated with these metals; (iii) revise existing concentration requirements to reflect the risk to Dealer Members from exposure to previous metals; and (iv) revise insurance requirements to ensure that gold and silver bullion are included in the base on which insurance is calculated. A copy and description of the proposed amendments were originally published as Investment Dealers Association of Canada's amendments on February 29, 2008, at (2008) 31 OSCB 2737. No public comments were received. Some non-material changes were made to the proposed amendments once they were originally published. A black-lined version highlighting the changes from the version published on February 29, 2008 and a clean version is included in Chapter 13 of this OSC Bulletin.

1.3 News Releases

1.3.1 OSC Approves Settlement Agreement with Rajeev Thakur

FOR IMMEDIATE RELEASE
May 15, 2009

OSC APPROVES SETTLEMENT AGREEMENT WITH RAJEEV THAKUR

TORONTO – At a hearing held today, the Ontario Securities Commission (OSC) approved a settlement agreement that was entered into with Staff of the Commission and Rajeev Thakur.

In the settlement agreement, Mr. Thakur admitted that he committed illegal insider trading. He purchased and sold securities of Celestica Inc. while in a special relationship with the company and with knowledge of material information that had not been generally disclosed contrary to section 76 (1) of the *Securities Act*. Mr. Thakur admitted that he was aware of Celestica's financial results before those results were generally disclosed.

While employed at Celestica as a Director of Outsourcing Strategies, Mr. Thakur gained unauthorized access to the e-mail of all members of Celestica, including senior management. He then made a series of trades which resulted in a profit of approximately $642,056.

In approving the settlement agreement, the Commission ordered Mr. Thakur to:

- disgorge to the Commission the amount of $642,056;
- pay to the Commission an administrative penalty in the amount of $481,542; and
- pay costs in the amount of $25,000.

In addition, the Commission Order permanently prohibits Mr. Thakur from acting as an officer or director of any registrant or issuer, and requires him to permanently cease trading in securities, with some limited exceptions for a mutual fund account.

In approving the settlement agreement, Commission Panel Chair, James Turner said, "this conduct constitutes blatant insider trading. We have applied the principle that no one should profit from their breach of the Securities Act. The administrative penalty imposed constitutes a very substantial portion of Mr. Thakur's net assets."

OSC litigator Matthew Britton stated that, "Mr. Thakur surreptitiously gained access to Celestica's confidential information and used that information to make profitable trades on his own behalf. Mr. Thakur, in committing illegal insider trading, committed a very serious offence."

Copies of the Settlement Agreement and the Commission's Order approving these agreements are available on the Commission's website (www.osc.gov.on.ca).

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4 Notices from the Office of the Secretary

1.4.1 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE
May 14, 2009

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA,
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN,
MARCO DIADAMO, GORD McQUARRIE,
KEVIN WASH, and WILLIAM MANKOFSKY

Re: GORD MCQUARRIE

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Gord McQuarrie.

A copy of the Order dated May 12, 2009 and Settlement Agreement dated May 10, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.2 Teodosio Vincent Pangia et al.

FOR IMMEDIATE RELEASE
May 14, 2009

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA
AND TRANSDERMAL CORP.

TORONTO – The Commission issued an Order which provides that the Temporary Order is continued until May 26, 2009 or until further order of the Commission and the matter is adjourned until May 25, 2009 at 10:00 a.m.

A copy of the Order dated May 8, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.3 Maple Leaf Investment Fund Corp. et al.

FOR IMMEDIATE RELEASE
May 15, 2009

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

AND

IN THE MATTER OF
MAPLE LEAF INVESTMENT FUND CORP.
and JOE HENRY CHAU (aka: HENRY JOE CHAU,
SHUNG KAI CHOW and HENRY SHUNG KAI CHOW)

TORONTO – The Commission issued an Order in the above noted matter adjourning the hearing of this matter to November 16, 2009 at 10:00 a.m. and extending the Temporary Order to November 19, 2009.

A copy of the Order dated May 15, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.4 Rajeev Thakur

FOR IMMEDIATE RELEASE
May 15, 2009

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

AND

IN THE MATTER OF
RAJEEV THAKUR

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

A copy of the Order May 15, 2009 and Settlement Agreement dated May 15, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.5 Borealis International Inc. et al.

FOR IMMEDIATE RELEASE
May 19, 2009

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

AND

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,
EARL SWITENKY, MICHELLE DICKERSON,
DEREK DUPONT, BARTOSZ EKIERT,
ROSS MACFARLANE, BRIAN NERDAHL,
HUGO PITTOORS and LARRY TRAVIS

TORONTO – Following an appearance held on May 11, 2009 in the above matter, the Hearing on the Merits currently scheduled to commence on May 26, 2009 has been adjourned to commence on October 20, 2009 at 10:00 a.m.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.6 Shallow Oil & Gas et al.

FOR IMMEDIATE RELEASE
May 19, 2009

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA,
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN,
MARCO DIADAMO, GORD McQUARRIE,
KEVIN WASH, and WILLIAM MANKOFSKY

AND

IN THE MATTER OF
GORD McQUARRIE

TORONTO – The Commission issued its Reasons and Decision today following the approval of the settlement agreement reached between Staff of the Ontario Securities Commission and Gord McQuarrie on May 12, 2009.

A copy of the Reasons and Decision on Settlement dated May 19, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
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Public Affairs
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 TUSK Energy Corporation

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).

May 6, 2009

Macleod Dixon LLP
3700 Canterra Tower
400 - 3 Avenue SW
Calgary, AB T2P 4H2

Attention: Kirsty Sklar

Dear Madam:

Re: TUSK Energy Corporation (the Applicant) - Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario and Québec (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 to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

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 National Instrument 21-101 *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 is deemed to have ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

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

2.1.2 Tangarine Payment Solutions Corp.

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).

May 12, 2009

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

AND

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

AND

IN THE MATTER OF
TANGARINE PAYMENT SOLUTIONS CORP.
(the "Filer")

DECISION

Background

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

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

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

(b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 – *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 May 19, 1999 under the name Ebanx International Ltd. and changed its name to Tangarine Concepts Corporation on March 21, 2000. On August 1, 2005, Tangarine Concepts Corporation amalgamated with Excape Business Transactions, Inc. and FinPOS Wholesale Inc. and continued to operate under the corporate name of Tangarine Concepts Corporation. On August 1, 2006, Tangarine Concepts Corporation was acquired by Tangarine Payment Solutions Corp. (formerly Chrysalis Capital II Corporation ("**Chrysalis**") for a combination of cash and shares of Chrysalis.

2. The head office of the Filer is located at 14 Commerce Place, St. Catharines, Ontario, L2R 6P7.

3. The Filer has been a reporting issuer in the Jurisdictions since August 15, 2006.

4. On December 24, 2008, the Filer announced that it had entered into an acquisition agreement with 4491157 Canada Inc. ("**4491157**"), an affiliate of Pivotal Payments Corporation, whereby, through a court-approved plan of arrangement (the "**Arrangement**"), 4491157 would acquire (i) all the outstanding common shares of the Filer for a cash purchase price of $0.22 per common share representing an aggregate purchase price of approximately $9,338,941 and (ii) all of the outstanding Series I preferred shares of the Filer for an aggregate purchase price of $3,839,000.

5. The Filer called an annual and special meeting of its shareholders (the "**Meeting**"), in accordance with an interim order issued by the Ontario Superior Court of Justice on February 19, 2009, to vote on the proposed Arrangement.

6. On February 19, 2009, the shareholders of the Filer, present or represented by proxy, at the Meeting, voted in favour of the proposed Arrangement, in a majority exceeding the required minimum approval by 66 2/3% of the holders of common shares and Series I preferred shares voting together and by the majority of the "minority shareholders". Over 98% of the holders of common shares and Series I preferred shares voting together and 95% of the "minority shareholders", voting separately as a class, approved the Arrangement.

7. On February 23, 2009, the Ontario Superior Court of Justice issued a final order approving the proposed Arrangement.

8. As a result of the completion of the Arrangement on March 23, 2009, 4491157 became the owner of 100% of the issued and outstanding share capital of the Filer.

9. As of March 23, 2009, the Filer amalgamated with 4491157.

10. The common shares of the Filer were traded on the TSX Venture Exchange ("**TSX-V**") under the symbol "TAN". The common shares of the Filer were delisted from the TSX-V effective as of the close of business on March 25, 2009, and no securities of the Filer are listed or traded on any marketplace as defined in *National Instrument 21-101 - Marketplace Operation*.

11. The Filer surrendered its status as a reporting issuer under the *Securities Act* (British Columbia) pursuant to BC Instrument 11-502 – Voluntary Surrender of Reporting Issuer Status as of April 6, 2009.

12. The Filer is not in default of any of its obligations under the Legislation, except for the obligation to file interim financial statements for the period ended January 31, 2009 and management discussion & analysis in respect of such financial statements, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* and the related certification of such financial statements as required under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*.

13. The Filer has no current intention to seek public financing by way of an offering of securities.

14. The Filer, upon the grant of the Exemption Sought, will no longer be a reporting issuer in any jurisdiction in Canada.

Decision

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

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

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

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.3 Suramina Resources Inc.

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).

May 12, 2009

Suramina Resources Inc.
c/o Cathy Mercer
Cassels Brock & Blackwell LLP
40 King Street West
Scotia Plaza, Suite 2100
Toronto, ON M4H 3C2

Dear Sirs/Mesdames:

Re: Suramina Resources Inc. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan and Québec (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 National Instrument 21-101 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 is not a reporting issuer.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Welton Energy Corporation

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 under applicable securities legislation - Relief granted.

Applicable Legislative Provisions

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

Applicable Alberta Statutory Provisions

Securities Act, R.S.A., 2000, c. S-4, s. 153.

Citation: Welton Energy Corporation, Re, 2009 ABASC 207

May 14, 2009

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

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATION IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
WELTON ENERGY CORPORATION
(the Filer)

DECISION

Background

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

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

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

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. The Filer was continued under the *Business Corporations Act* (Alberta) (the **ABCA**) on February 10, 2009 and its head office is located in Calgary, Alberta.

2. Churchill Energy Inc. acquired all of the issued and outstanding securities of the Filer by way of a plan of arrangement under the ABCA effective February 12, 2009 and thus the outstanding securities of the Filer, 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.

3. No securities of the Filer are traded on a market-place as defined in National Instrument 21-101 *Marketplace Operation*.

4. The Filer has no current intention to seek public financing by way of an offering of securities.

5. The Filer is applying for a decision that the Filer is not a reporting issuer in all the jurisdictions in Canada in which it is currently a reporting issuer.

6. The Filer is not in default of any requirement of the securities legislation in any of the jurisdictions in Canada except for the obligation to file its audited annual financials, Form 51-102F1 *Management Discussion & Analysis*, annual information form, certification of such filings and annual oil and gas disclosure under National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities* for the year ended December 31, 2008, all of which became due on March 31, 2009.

7. Upon grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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.

Blaine Young
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.5 Arawak Energy Limited

Headnote

NP 11-203 – Application for an order that the issuer is not a reporting issuer – Issuer has no publicly held securities – No intention to seek public financing – Issuer cannot provide the British Columbia Securities Commission with a notice of surrender containing the prescribed representations more than 10 days prior to the date on which it seeks to not be a reporting issuer.

Applicable Legislative Provisions

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

May 14, 2009

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

AND

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

AND

IN THE MATTER OF
ARAWAK ENERGY LIMITED
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Makers**) has received an application from the Filer for a decision pursuant to 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 Ontario Securities Commission is the principal regulator for the application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

1. This Filer was incorporated in British Columbia on July 13, 1987 as Iskut Gold Corporation. On March 24, 1994, the Filer's name was changed to A&B Geoscience Corporation and, by articles of continuance dated April 11, 1995, the Filer was continued under the laws of Anguilla, British West Indies pursuant to the provisions of The Companies Ordinance, 1994. By articles of amendment effective June 13, 2003, the Filer changed its name to Arawak Energy Corporation. On April 2, 2008, shareholders of the Filer passed special resolutions approving (a) the continuance of the Filer from Anguilla, British West Indies to Jersey, Channel Islands (the **Continuance**), and (b) a change in the name of the Filer to Arawak Energy Limited. As a result of the Continuance, the Filer became a company continued under the *Companies (Jersey) Law 1991* (as amended) (the Jersey Act).

2. The Filer is a reporting issuer in British Columbia, Alberta and Ontario.

3. The common shares of the Filer (the **Common Shares**) were delisted from the Toronto Stock Exchange after the close of business on April 14, 2009 and from the London Stock Exchange on April 24, 2009.

4. The Filer's principal business is the exploration, development and production of oil and natural gas in Kazakhstan, Russia and Azerbaijan.

5. The Filer's head office is located at Belgrave House, 6th Floor, 76 Buckingham Palace Road, London, SW1W 9TQ, England and its registered office is located at Whiteley Chambers, Don Street, St. Helier, Jersey, Channel Islands.

6. The Filer's authorized capital consists of 500,000,000 Common Shares and 200,000,000 preference shares. As at March 31, 2009, there were 182,644,452 Common Shares and no preference shares issued and outstanding.

7. Pursuant to an offer made by way of formal take-over bid (the **Offer**) dated January 30, 2009, Rosco S.A. (**Rosco**) offered to purchase all of the Common Shares (not already owned by Rosco or its affiliates) at a price of $1.00 Canadian per Common Share.

8. As at the date of the Offer, Rosco and its affiliates owned approximately 41.43 percent of the issued and outstanding Common Shares.

9. The Offer was initially scheduled to expire on March 9, 2009 and was extended to March 24,

2009 and further extended to April 7, 2009. Between March 24, 2009, and April 7, 2009, 94.73 percent of the outstanding Common Shares not already owned by Rosco or its affiliates were taken up by Rosco and paid for.

10. Rosco has exercised its right under Articles 117 and 118 of the Jersey Act to acquire the remaining issued and outstanding Common Shares not deposited under the Offer (the **Compulsory Acquisition**). A Notice of Compulsory Acquisition was sent on March 25, 2009 to persons who had not tendered to the Offer. The Compulsory Acquisition was completed on May 6, 2009, at which time Rosco and its affiliates became the only beneficial shareholders of the Filer.

11. On April 9, 2009, Rosco tendered payment to the Filer in trust for shareholders subject to the Compulsory Acquisition under the Jersey Act and who did not tender to the Offer on or before April 7, 2009.

12. In the absence of relief, the Filer will be in default of its obligation to file its interim financial statements and related management's discussion and analysis for the period ended March 31, 2009 if it does not file such document by May 15, 2009 (the **Filing Deadline**). The Filer is unable to rely on CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* (**CSA 12-307**) because the Filer will not meet the requirement under CSA 12-307 of having ceased to be a reporting issuer under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* before the Filing Deadline.

13. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada.

14. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operations*.

15. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.

16. The Filer has no intention to seek public financing by way of an offering of securities.

17. Upon the grant of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

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

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

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

2.1.6 IGM Financial Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to an offeror from take-over bid requirements in connection with the acquisition by the offeror of all of the outstanding shares of the offeree issuer – offeree issuer conducts business through a network of financial advisors – financial advisors are shareholders of the offeree issuer – exemption granted on the basis that the representations of the offeror and the conditions to the exemption are substantially similar to the statutory non-reporting issuer exemption except that financial advisors are treated similarly to employees for the purposes of satisfying the requirements of the non-reporting issuer exemption.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

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

AND

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

AND

IN THE MATTER OF
IGM FINANCIAL INC.
(the Filer)

Background

The principal regulator in the Jurisdiction has received an application from the Filer:

(a) for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the take-over bid requirements contained in the Legislation (the **Takeover Bid Provisions**) and the requirements related to insider bids set out in Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (the **Insider Bid Provisions**, and collectively with the Takeover Bid Provisions, the **Takeover Bid Requirements**) do not apply in connection with the acquisition by the Filer of all of the issued and outstanding common shares of Investment Planning Counsel Inc. (**IPCI**) not already held by the Filer (the **Bid**); and

(b) for a decision under the Legislation that the application and this decision (the **Confidential Material**) be kept confidential and not be made public until the earlier of: (i) the date on which the Filer mails the offer document to the holders of the common shares of IPCI; (ii) the date the Filer advises the principal regulator that there is no need for the application and this decision to remain confidential; and (iii) the date that is 30 days after the date of this decision.

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

(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 the Province of Manitoba.

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 Filer:

1. The Filer was incorporated under the *Canada Business Corporations Act* (the **CBCA**) on August 3, 1978 and its capital structure was reorganized by Articles of Amendment effective September 19, 1986. Its name was changed to "IGM Financial Inc." by Articles of Amendment effective April 30, 2004 and its Articles were re-stated effective April 30, 2004. The Filer's registered and head office is located in Winnipeg, Manitoba.

2. The Filer is a reporting issuer, or its equivalent, in all of the provinces and territories of Canada.

3. The Filer's common shares and preferred shares, series A are listed on the Toronto Stock Exchange under the symbols "IGM" and "IGM.PR.A", respectively.

4. The Filer is not on the list of defaulting reporting issuers, or its equivalent, in any jurisdiction in which such a list is maintained.

5. IPCI was incorporated under the CBCA on February 10, 2004 and its capital structure was reorganized by Articles of Amendment effective February 20, 2004 by the addition of an unlimited

number of preference shares, issuable in series. By Articles of Amendment effective July 26, 2004, IPCI changed its name from "4221079 Canada Inc." to "Investment Planning Counsel Inc."

6. IPCI's registered and head office is located in Toronto, Ontario.

7. IPCI is not and has never been a reporting issuer, or its equivalent, in any of the provinces or territories of Canada. IPCI's securities have never been listed or posted for trading on any exchange or marketplace.

8. The authorized share capital of IPCI consists of an unlimited number of common shares (the **Shares**) and an unlimited number of preference shares, issuable in series of which 67,470,938 Shares and no preference shares are issued and outstanding as at April 1, 2009. IPCI and its subsidiaries presently conduct, and will continue to conduct, business across Canada through a network of financial advisors (the **Advisors**).

9. The Bid will be made by the Filer pursuant to an offer document to be delivered to the Shareholders of IPCI (the **IPCI Minority Shareholders**). The offer document will contain information with respect to (i) the Filer as the offeror; (ii) the consideration being offered for each Share; (iii) the reasons for the offer; (iv) the mechanics of accepting the offer; (v) the conditions to the offer; and (vi) other material information. The offer will be open for acceptance for a period of 30 days and contain a condition, amongst others, that not less than 90% of the Shares not already owned by the Filer be deposited to the Bid and not be withdrawn.

10. The consideration to be offered by the Filer under the Bid for each Share will, at the election of each IPCI Minority Shareholder, be cash, common shares of the Filer or any combination of the two, subject to pro-ration if the IPCI Minority Shareholders elect cash in an aggregate amount which exceeds the maximum amount of cash established by the Filer to purchase Shares not owned by the Filer. The price per Share to be paid under the Bid will exceed the price per Share that would currently apply if the Shares were purchased under the Shareholders' Agreements (as defined in paragraph 16 below) without taking into account any contingent price adjustments that are provided for in the Shareholders' Agreements referred to below. For this purpose, each common share of the Filer will be valued at an amount equal to the closing price of the common shares of the Filer prior to the date on which the price is established.

11. As at April 1, 2009, IPCI has 81 registered shareholders. The Filer holds 50,184,397 Shares, or 74.4% of the issued and outstanding Shares, and a convertible debenture in the principal amount of $48,750,000 maturing on May 10, 2012 which is exercisable into Shares at a conversion price of $1.95 per Share. The balance of the remaining 17,286,541 Shares, or 25.6% of the issued and outstanding Shares are beneficially held either directly or indirectly by the management, current employees, former employees, current Advisors and former Advisors of IPCI or its affiliates and, in a limited number of instances, by an associate of an Advisor. Not including the Filer, to the best knowledge of IPCI, there are currently 100 beneficial holders of Shares, residing in the following Provinces:

    (a) 72 reside in Ontario, holding 15,075,895 Shares;

    (b) 6 reside in Manitoba, holding 969,942 Shares;

    (c) 12 reside in Nova Scotia, holding 1,030,084 Shares;

    (d) 8 reside in British Columbia, holding 195,327 Shares; and

    (e) 2 reside in Newfoundland and Labrador, holding 15,293 Shares.

    Including the Filer, there are 7 beneficial shareholders of IPCI residing in Manitoba, holding a total of 51,154,339 Shares. The knowledge of IPCI as to the number of beneficial shareholders is based on the fact that the beneficial shareholders of IPCI are parties to the Shareholders' Agreements (as defined in paragraph 16 below). The Bid is exempt from Part 2 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* (**MI 62-104**) in the Provinces of Nova Scotia, British Columbia and Newfoundland and Labrador pursuant to section 4.5 of MI 62-104 by virtue of the fact that the number of beneficial holders of Shares in each such Province is fewer than 50, constituting less than 2% of the outstanding Shares.

12. All Advisors have a written contract with IPCI or a subsidiary of IPCI pursuant to which they devote a substantial amount of their time and attention to the business of IPCI and its subsidiaries.

13. Up to 4,905,794 additional Shares are issuable under stock options granted under IPCI's stock option plan to employees and executive officers of IPCI and its subsidiaries, of which 2,383,918 stock options have vested as at April 1, 2009. As part of the Bid, the Filer will provide all holders of stock options, both vested and unvested, with the opportunity to receive new stock options to be granted by the Filer under the Filer's stock option plan upon the successful completion of the Bid in exchange for IPCI stock options.

14. Under an Advisor share ownership program introduced by IPCIC (as defined below) and certain of its affiliates in June 1999, up to 142,399 additional Shares are issuable as at April 1, 2009 to 6 IPCI Minority Shareholders who also hold Class A Shares (the **IPCIC Class A Shares**) in the capital of IPC Investment Corporation (**IPCIC**), an indirect wholly-owned subsidiary of IPCI and a mutual fund dealer and limited market dealer registered in each of the provinces and territories of Canada. The IPCIC Class A Shares are subject to escrow agreements in favour of IPCIC and are either exchangeable into Shares in accordance with an established formula as and when such escrowed shares are released from escrow or may be purchased for cancellation by IPCIC for nominal consideration in the event that certain established requirements are not met. The escrow provisions vary for each IPCI Minority Shareholder who participated in the program. The last of such escrowed IPCIC Class A Shares is to be released or purchased for cancellation in June 2011. As the escrow agreements do not provide a mechanism for depositing Shares to the Bid, as part of the Bid, IPCI will offer to such IPCI Minority Shareholders the opportunity to exchange their escrowed IPCIC Class A Shares for Shares in advance of the date upon which they would otherwise be entitled to exchange their IPCIC Class A Shares and to deposit the Shares received upon such exchange to the Bid. The consideration receivable by an IPCI Minority Shareholder under the Bid for such Shares will not be required to be escrowed.

15. Under a second Advisor share ownership program introduced by IPCI and certain of its affiliates in June 2007, 1,293,996 of the Shares held by 23 IPCI Minority Shareholders are subject to escrow agreements in favour of IPCI as at April 1, 2009. The escrowed Shares are either periodically released from escrow, or if certain established requirements are not met, may be purchased for cancellation by IPCI for nominal consideration. The escrow provisions vary for each IPCI Minority Shareholder who participates in this program. The last of such escrowed Shares is to be released or purchased for cancellation in June 2013. As the escrow agreements do not provide a mechanism for depositing the escrowed Shares to the Bid, as part of the Bid, IPCI will offer to such IPCI Minority Shareholders, the opportunity to deposit the Shares to the Bid. The consideration receivable by an IPCI Minority Shareholder under the Bid for such Shares will not be required to be escrowed.

16. Under shareholders' agreements in respect of IPCI dated February 24, 2004 and May 10, 2004 (together, the **Shareholders' Agreements**), IPCI Minority Shareholders possess the benefit of, and are subject to, certain share transfer rights and obligations. The terms of the Shareholders' Agreements include: (i) the right of each IPCI Minority Shareholder to cause IPCI, the Filer or an affiliate of the Filer to purchase its Shares from time to time (the **Put Right**); and (ii) the right of one or possibly more of IPCI, the Filer or any affiliate of the Filer to purchase the Shares from each IPCI Minority Shareholder from time to time (the **Call Right**). The price at which shares are purchased under the Put Right or Call Right is determined based on a quarterly calculation prepared by IPCI and is payable in cash. On any exercise of the Call Right, there is a contingent upward adjustment to the price based on the quarterly calculation of the price for the four subsequent quarters following the purchase.

17. The letter of transmittal to be signed by each IPCI Minority Shareholder for the purpose of depositing its Shares will contain an acknowledgement of the IPCI Minority Shareholder that it is aware that it will not receive the benefits of the Takeover Bid Requirements.

18. In accordance with contractual arrangements, IPCI Minority Shareholders who do not deposit their Shares to the Bid will be subject to the provisions of the Shareholders' Agreements including, without limitation, the Call Right.

19. The Legislation provides an exemption from the Takeover Bid Provisions in respect of a non-reporting issuer if:

    (a) the offeree issuer is not a reporting issuer;

    (b) there is no published market for the securities that are the subject of the bid; and

    (c) the number of security holders of that class of securities at the commencement of the bid is not more than 50, exclusive of holders who (i) are in the employment of the offeree issuer or an affiliate of the offeree issuer, or (ii) were formerly in the employment of the offeree issuer or in the employment of an entity that was an affiliate of the offeree issuer at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of the offeree issuer.

20. Given that (i) IPCI is not a reporting issuer, or its equivalent, in any of the provinces or territories of Canada, and (ii) there is no published market in respect of the Shares, if the Advisors were treated in the same manner as employees, the number of holders of the Shares at the commencement of the Bid, exclusive of employees, would be fewer than 50, and the Bid would be exempt from the Takeover Bid Requirements on the basis of the

"non-reporting issuer" exemption set out in the Legislation.

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:

(a) the Takeover Bid Provisions shall not apply to the Bid provided that at the time of the Bid:

(i) IPCI is not a reporting issuer;

(ii) there is no published market for the securities that are the subject of the Bid; and

(iii) the number of security holders of the class of voting or equity securities that is subject to the Bid at the commencement of the Bid is not more than 50, exclusive of holders who:

(A) are in the employment of IPCI or an affiliate of IPCI or are Advisors; or

(B) were formerly in the employment of IPCI or in the employment of an entity that was an affiliate of IPCI at the time of that employment, and who while in that employment were, and have continued after that employment to be, security holders of IPCI or were formerly Advisors; and

(b) the Confidential Material will be kept confidential and not be made public until the earlier of: (i) the date on which the Filer mails the offer document to the IPCI Minority Shareholders; (ii) the date the Filer advises the principal regulator that there is no need for the application and this decision to remain confidential; and (iii) the date that is 30 days after the date of this decision.

Dated this 17th day of April, 2009.

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

The decision of the principal regulator under the Legislation is that:

(a) the Insider Bid Provisions shall not apply to the Bid provided that, at the time of the Bid, the conditions of the above-noted decision of the principal regulator in respect of the Takeover Bid Provisions are satisfied; and

(b) the Confidential Material will be kept confidential and not be made public until the earlier of: (i) the date on which the Filer mails the offer document to the IPCI Minority Shareholders; (ii) the date the Filer advises the principal regulator that there is no need for the application and this decision to remain confidential; and (iii) the date that is 30 days after the date of this decision.

Dated this 17th day of April, 2009.

"Naizam Kanji"
Deputy Director
Mergers & Acquisitions
Corporate Finance Branch

2.1.7 Jones Heward Investment Counsel Inc.

Headnote

NP 11-203 – Exemptive relief granted to ETF offered in continuous distribution from certain mutual fund requirements and restrictions on: transmission of purchase or redemption orders, issuing units for cash or securities, calculation and payment of redemptions, and date of record for payment of distributions – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 9.1, 9.4(2), 10.2, 10.3, 14.1, and 19.1.

May 12, 2009

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
JONES HEWARD INVESTMENT COUNSEL INC.
(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 (the **Legislation**) for exemptive relief from the following provisions of National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) (the **Exemption Sought**):

1. Sections 9.1 and 10.2 to permit purchases and sales of units (**Units**) of BMO Canadian Government Bond Index ETF, BMO Dow Jones Canada Titans 60 Index ETF, BMO US Equity Index ETF, BMO International Equity Index ETF, BMO Emerging Markets Equity Index ETF, BMO Global Infrastructure Index ETF and BMO Dow Jones Diamonds Index ETF (the **Existing Funds**) and any additional exchange-traded funds of which the Filer, or an affiliate of the Filer, may be the trustee and/or manager and which operate on a similar basis as the Existing Funds (the **Future Funds**, which together with the Existing Funds are collectively referred to as the **Funds**) on the Toronto Stock Exchange (**TSX**);

2. Section 9.4(2) to permit the Funds to accept a combination of cash and securities as subscription proceeds for Units;

3. Section 10.3 to permit the Funds to redeem less than the Prescribed Number of Units (as defined below) at a discount to their market price, instead of at their net asset value; and

4. Section 14.1 to permit the Funds to establish a record date for distributions in accordance with the rules of the TSX .

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

1. the OSC 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 British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Interpretation

Basket of Securities means a group of securities determined by the Filer from time to time representing the constituents of the investment portfolio then held by the Funds.

Designated Brokers means registered brokers and dealers that enter into agreements with the Funds to perform certain duties in relation to the Funds.

Prescribed Number of Units means the number of Units of a Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

Underwriters means registered brokers and dealers that have entered into underwriting agreements with the Funds and that subscribe for and purchase Units from the Funds, and **Underwriter** means any one of them.

Unitholders means beneficial and registered holders of Units.

Section references set out in this decision are references to NI 81-102, unless otherwise indicated.

Terms defined in National Instrument 14-101 – *Definitions*, Multilateral Instrument 11-102 – *Passport System* and NI 81-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Funds are or will be mutual fund trusts governed by the laws of Ontario and will be reporting issuers under the Legislation.

2. The Filer has applied to list the Units on the TSX and the TSX has conditionally approved the listing of the Units. The Filer will file a final prospectus for the Funds to qualify the distribution of the Units.

3. The Units issued by the Existing Funds will be index participation units within the meaning of NI 81-102. The Funds will be generally described as exchange-traded funds.

4. The Filer, a registered investment counsel and portfolio manager and limited market dealer in Ontario and Newfoundland and Labrador, is the trustee and manager of the Funds and is responsible for the administration of the Funds.

5. Each of the Existing Funds will seek investment results that correspond generally to the price and yield performance of an index (the **Index**) by replicating generally the portfolio of securities which constitutes such Index, net of fees and expenses.

6. Units may only be subscribed for or purchased directly from the Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a regular trading session on the TSX.

7. The Funds will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of the Funds for the purpose of maintaining liquidity for the Units.

8. Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Units in cash only, in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.

9. The net asset value per Unit of the Funds will be calculated and published daily on www.bmo.com/etfs.

10. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.3% of the net asset value of the Funds, or such other amount established by the Filer and disclosed in the prospectus of the Funds, next determined following delivery of the notice of subscription to that Designated Broker.

11. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. The Filer may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.

12. Except as described in paragraphs 6 through 10 above, Units may not be purchased directly from the Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.

13. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets of Securities and cash. Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.

14. As manager, the Filer receives a fixed annual fee from the Funds. Such annual fee is calculated as a fixed percentage of the net asset value of the Funds.

15. Unitholders will have the right to vote at a meeting of Unitholders in respect of the Funds in certain circumstances, including prior to any change in the fundamental investment objective of the Funds, any change to their voting rights, the introduction of a fee or expense to be charged to the Funds or to Unitholders or a change in the basis of the calculation of a fee or expense charged to the Funds or Unitholders, where such change could result in an increase in the amount of fees or expenses payable by the Funds or Unitholders.

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 as follows:

1. Sections 9.1 and 10.2 – to enable the purchase and sale of Units on the TSX, which precludes the transmission of purchase or redemption orders to the order receipt offices of the Funds.

2. Section 9.4(2) – to permit payment for the issuance of Units to be made partially in cash and partially in securities, provided that the acceptance of securities as payment is made in accordance with Sections 9.4(2)(b)(i) and 9.4(2)(b)(ii).

3. Section 10.3 – to permit the redemption of less than the Prescribed Number of Units at a price equal to 95% of the closing price of the Units on the TSX; and

4. Section 14.1 – to relieve the Funds from the requirement relating to the record date for the payment of distributions, provided that the Funds comply with applicable TSX requirements.

"Vera Nunes"
Assistant Manager – Investment Funds

Sedar No. 1376726

2.1.8 H&R Finance Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Exemption granted from section 2.2(3)(b)(ii) of National Instrument 44-102 Shelf Distributions, subject to certain conditions - Absent the granting of the exemption, a receipt issued for a base shelf prospectus of the Filer would expire immediately before entering into an agreement of purchase and sale for a security to be sold under the base shelf prospectus due to the Filer not having a current annual information form at such time - The Filer has previously been granted relief from, inter alia, the annual information form requirement in section 2.2(d)(ii) of National Instrument 44-101 Short Form Prospectus Distributions.

Applicable Legislative Provisions

National Instrument 44-102, ss. 2.2(3)(b)(ii) and 11.1.
National Instrument 44-101, s. 2.2(d)(ii).

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
H&R FINANCE TRUST

DECISION

Background

The principal regulator in the Jurisdiction has received an application from H&R Finance Trust ("**H&R Finance**" or the "**Filer**") under the securities legislation of the Jurisdiction (the "**Legislation**") for a decision that, pursuant to section 11.1 of National Instrument 44-102 *Shelf Distributions* ("**NI 44-102**"), subparagraph 2.2(3)(b)(ii) of NI 44-102 does not apply to H&R Finance (the "**Exemption Sought**").

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

(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 each of British Columbia, Alberta, Saskatchewan,

Manitoba, Quebec, Prince Edward Island, New Brunswick, Newfoundland and Labrador, Nova Scotia, Northwest Territories, Yukon Territory and Nunavut (collectively, together with Ontario, the "**Canadian 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 Filer:

1. At the time of this application the Filer is not in default of securities legislation in any of the Canadian Jurisdictions. The head office of the Filer is located in Toronto, Ontario.

2. On October 1, 2008 H&R Real Estate Investment Trust (the "**REIT**") effected a plan of arrangement (the "**Plan of Arrangement**") pursuant to which, among other things, H&R Finance was established as an open-ended limited purpose unit trust governed by the laws of the Province of Ontario.

3. As contemplated in the Plan of Arrangement and as provided in the respective declarations of trust of the REIT and H&R Finance, each unit of the REIT is stapled to a unit of H&R Finance (and each unit of H&R Finance is stapled to a unit of the REIT), and a unit of the REIT, together with a unit of H&R Finance, trades as a "Stapled Unit" until there is an "Event of Uncoupling".

4. An Event of Uncoupling shall occur only: (a) in the event that unitholders of the REIT vote in favour of the uncoupling of units of H&R Finance and units of the REIT such that the two securities will trade separately; or (b) at the sole discretion of the trustees of H&R Finance, but only in the event of the bankruptcy, insolvency, winding-up or reorganization (under an applicable law relating to insolvency) of the REIT or H&R (U.S.) Holdings Inc. or the taking of corporate action by the REIT or H&R (U.S.) Holdings Inc. in furtherance of any such action or the admitting in writing by the REIT or H&R (U.S.) Holdings Inc. of its inability to pay its debts generally as they become due.

5. As part of the Plan of Arrangement, the REIT and H&R Finance entered into a support agreement (the "**Support Agreement**") which provided, among other things, for the co-ordination of the declaration and payment of all distributions so as to provide for simultaneous record dates and payment dates; for co-ordination so as to permit the REIT to perform its obligations pursuant to the REIT's Declaration of Trust, Unit Option Plan, Distribution Re-Investment Plan and Unitholder Rights Plan; for H&R Finance to take all such actions and do all such things as are necessary or desirable to enable and permit the REIT to perform its obligations arising under any security issued by the REIT (including securities convertible, exercisable or exchangeable into Stapled Units); for H&R Finance to take all such actions and do all such things as are necessary or desirable to enable the REIT to perform its obligations or exercise its rights under its convertible debentures; and for H&R Finance to take all such actions and do all such things as are necessary or desirable to issue H&R Finance units simultaneously (or as close to simultaneously as possible) with the issue of REIT units and to otherwise ensure at all times that each holder of a particular number of REIT units holds an equal number of H&R Finance units, including participating in and cooperating with any public or private distribution of Stapled Units by, among other things, executing prospectuses or other offering documents.

6. In the event that the REIT issues additional REIT units, pursuant to the Support Agreement, the REIT and H&R Finance will coordinate so as to ensure that each subscriber receives both REIT units and H&R Finance units, which shall trade together as Stapled Units. Prior to such event, the REIT shall provide notice to H&R Finance to cause H&R Finance to issue and deliver the requisite number of H&R Finance units to be received by and issued to, or to the order of, each subscriber as the REIT directs.

7. In consideration of the issuance and delivery of each such H&R Finance unit, the REIT (on behalf of the purchaser) or the purchaser, as the case may be, shall pay (or arrange for the payment of) a purchase price equal to the fair market value (as determined by H&R Finance in consultation with the REIT) of each such H&R Finance unit at the time of such issuance. The remainder of the subscription price for Stapled Units shall be allocated to the issuance of the REIT units by the REIT.

8. Pursuant to a MRRS Decision Document dated August 8, 2008, as varied by a MRRS Decision Document dated September 12, 2008 *In the Matter of H&R Real Estate Investment Trust on its own behalf and on behalf of H&R Finance Trust*, the Filer has been granted relief from (i) the requirements contained in Parts 6 and 7 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") (except in the Northwest Territories, where NI 51-102 has been adopted as a policy only (collectively, the "**Specified Continuous Disclosure Requirements Relief**"); and (ii) the requirement contained in subparagraph

2.2(d)(ii) of National Instrument 44-101 *Short Form Prospectus Distributions* ("**NI 44-101**").

9. The REIT and H&R Finance filed a preliminary base shelf prospectus on May 1, 2009.

10. Pursuant to section 2.2(3)(b)(ii) of NI 44-102, a receipt issued for a base shelf prospectus of an issuer expires immediately before entering into an agreement of purchase and sale for a security to be sold under the base shelf prospectus if the issuer does not have a current annual information form at such time.

11. The Exemption Sought is necessary as absent the granting of the Exemption Sought, pursuant to section 2.2(3)(b)(ii) of NI 44-102, a receipt issued for a base shelf prospectus of H&R Finance would expire immediately before entering into an agreement of purchase and sale for a security to be sold under the base shelf prospectus due to H&R Finance not having a current annual information form at such time.

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:

(a) H&R Finance qualifies for the relief contemplated by, and is in compliance with the requirements and conditions set out in, the Specified Continuous Disclosure Requirements Relief;

(b) H&R Finance is exempt from or otherwise not subject to subparagraph 2.2(d)(ii) of NI 44-101;

(c) H&R Finance does not issue any units that are not stapled to units of the REIT except for distributions of units of H&R Finance which are immediately followed by a consolidation of outstanding units of H&R Finance such that an equal number of units of H&R Finance and units of the REIT are outstanding immediately following such consolidation; and

(d) each H&R Finance unit is stapled to a unit of the REIT and trades as a Stapled Unit.

DATED this 7th day of May, 2009.

"Jo-Anne Matear"
Assistant Manager
Corporate Finance Branch

2.1.9 Man Canada AHL Alpha Fund et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - Relief granted to a commodity pool from paragraph 2.5(2)(a) and (c) of National Instrument 81-102 Mutual Funds to permit a commodity pool to gain exposure to another commodity pool implementing a two tiered structure, subject to certain conditions. The underlying commodity pool is not subject to National Instrument 81-101 Mutual Fund Prospectus Disclosure, and not qualified for distribution.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, paragraphs 2.5(2)(a), (c) and s. 19.1.

April 30, 2009

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
MAN CANADA AHL ALPHA FUND
(the "Filer")

AND

IN THE MATTER OF
MAN INVESTMENTS CANADA CORP.
(the "Manager")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Manager, on behalf of the Filer, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for exemptive relief from subparagraph 2.5(2)(a) and (c) of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") to permit the Filer to make an indirect investment in securities of AHL Investment Strategies SPC – Class C AHL Alpha CAD Notes (the "**AHL SPC Class C**") (the "**Requested Relief**").

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

(a) the Ontario Securities Commission (the "**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, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and the Yukon (the "**Passport Jurisdictions**").

Interpretation

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

Representations

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

1. The Filer is an investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust.

2. The Manager is the manager, trustee and promoter of the Filer. The Manager will be responsible for providing or arranging for the provision of administrative services required by the Filer. The principal office of the Manager is located at Suite 1202, 70 York Street, Toronto, Ontario M5J 1S9.

3. The Filer filed a preliminary prospectus (the "**Preliminary Prospectus**") dated March 17, 2009 on SEDAR with respect to the proposed offering (the "**Offering**") of Class A Units and Class F Units (together, the "**Units**") of the Filer, a receipt for which was issued by the Commission on March 18, 2009.

4. The Filer is a commodity pool as defined in National Instrument 81-104 *Commodity Pools* ("**NI 81-104**"). The Filer is subject to the investment restrictions contained in applicable Canadian securities legislation, including National Instrument 81-102 *Mutual Funds* ("**NI 81-102**"), and the Filer will be managed in accordance with these restrictions, except as otherwise permitted by NI 81-104.

5. The Filer's investment objective is to provide investors with the opportunity to realize capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities.

6. To pursue its investment objective, the Filer will obtain exposure to a diversified portfolio of financial instruments across a range of global markets including currencies, bonds, stocks, energy, metals and interest rates (the "**AHL Portfolio**") that invests in futures, options and forward contracts, swaps and other financial derivative instruments.

7. The AHL SPC Class C is a segregated portfolio established by AHL Investment Strategies SPC, a segregated portfolio company incorporated with limited liability in the Cayman Islands and registered as a segregated portfolio company under the *Companies Law* (2007 Revision). The AHL Portfolio will be held by the AHL SPC Class C.

8. The AHL SPC Class C intends to file and obtain a receipt for a (final) prospectus from the Commission and the Autorité des marchés financiers, pursuant to which it will become a reporting issuer under the *Securities Act* (Ontario) and the *Securities Act* (Québec). Accordingly, the financial statements and other reports required to be filed by the AHL SPC Class C will be available through SEDAR.

9. The AHL SPC Class C filed a preliminary non-offering prospectus (the "**Preliminary Prospectus**") dated April 14, 2009 on SEDAR, a receipt for which was issued by the Commission on April 14, 2009.

10. The AHL SPC Class C is a commodity pool as defined in NI 81-104. The AHL SPC Class C is subject to the investment restrictions contained in applicable Canadian securities legislation, including NI 81-102, and the AHL Portfolio will be managed in accordance with these restrictions, except as otherwise permitted by NI 81-104; however, the AHL SPC Class C is a mutual fund that is not subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* ("**NI 81-101**").

11. The Filer will obtain exposure to the AHL Portfolio through one or more forward purchase and sale agreements (collectively, the "**Forward Agreement**") to be entered into with one or more Canadian chartered banks and/or their affiliates (collectively, the "**Counterparty**").

12. The return to the Filer, and consequently to holders of Units (the "**Unitholders**"), will by virtue of the Forward Agreement be based the return of a series of Canadian dollar denominated redeemable notes (the "**AHL SPC Class C Notes**") issued by the AHL SPC Class C which will be referable to the AHL Portfolio.

13. The maximum exposure of a Unitholder to the AHL SPC Class C Notes will be the amount invested by the Unitholder in the Filer. However, investment exposure to the AHL SPC Class C

Notes does not constitute a direct investment in the AHL Portfolio. Unitholders will not own the financial instruments held by the AHL Portfolio.

14. An investment by the Filer in the AHL SPC Class C Notes will be made in accordance with the provisions of paragraph 2.5 of NI 81-102, except for subparagraph 2.5(2)(a) and (c).

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:

(a) the Filer and the AHL SPC Class C are commodity pools subject to NI 81-102 and NI 81-104;

(b) the exposure of the Filer to securities of the AHL SPC Class C is in accordance with the fundamental investment objective of the Filer;

(c) the prospectus of the Filer discloses that the Filer will obtain exposure to securities of the AHL SPC Class C and, to the extent applicable, the risks associated with such an investment;

(d) no securities of the AHL SPC Class C are distributed in Canada other than to the Counterparty under the Forward Agreement; and

(e) the indirect investment by the Filer in securities of the AHL SPC Class C is made in compliance with each provision of paragraph 2.5 of NI 81-102, except for subparagraph 2.5(2)(a) and (c) of NI 81-102.

Darren McKall
Assistant Manager
Ontario Securities Commission

2.1.10 Pioneer Institutional Asset Management, Inc. – s. 6.1(1) of NI 31-102 and s. 61 of OSC Rule 13-502

Headnote

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

Rules Cited

National Instrument 31-102 – National Registration Database (2007) 30 O.S.C.B. 5430, s. 6.1.
Ontario Securities Commission Rule 13-502 – Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
PIONEER INSTITUTIONAL
ASSET MANAGEMENT, INC.

DECISION

(Subsection 6.1(1) of National Instrument 31-102
National Registration Database **and**
Section 6.1 of Ontario Securities Commission
Rule 13-502 *Fees*)

UPON the Director having received the application of Pioneer Institutional Asset Management, Inc. (the **Applicant**) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 *National Registration Database* (**NI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

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

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

1. The Applicant is incorporated under the laws of the State of Delaware in the United States of America. The head office of the Applicant is located in Boston, Massachusetts, United States

of America. The Applicant is not a reporting issuer in any province or territory of Canada.

2. The Applicant is currently registered as an investment adviser in the United States of America with the Securities and Exchange Commission.

3. The Applicant is not currently registered in any capacity under the Act. However, the Applicant is in the process of applying to the Commission for registration under the Act as an adviser in the category of international adviser and a dealer in the category of limited market dealer (non-resident).

4. NI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the **electronic funds transfer requirement** or **EFT Requirement**).

5. The Applicant anticipates encountering difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not currently registered in, and does not currently intend to register in, another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is currently seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

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

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies, unless it has received an exemption from the EFT Requirement in each jurisdiction to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as a limited market dealer, international dealer, international adviser or in an equivalent registration category;

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

May 8, 2009

"Donna Leitch"
Assistant Manager, Registrant Regulation

2.1.11 Zi Corporation

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

Citation: Zi Corporation, Re, 2009 ABASC 239

May 15, 2009

Blake, Cassels & Graydon LLP
2800, Commerce Court West
Toronto, ON M5L 1A9

Attention: Sandie Huynh

Dear Madam:

Re: Zi Corporation (the Applicant) - Application for a decision under the securities legislation of Ontario and Québec (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 to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

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 National Instrument 21-101 *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 is deemed to have ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

Blaine Young
Associate Director, Corporate Finance

2.1.12 Claymore Investments, Inc. and Claymore Gold Bullion Trust

Headnote

MI 11-102 and NP 11-203 – Exemptive relief granted to closed-end fund convertible into exchange-traded fund for initial and continuous distribution of units upon conversion, including: relief from dealer registration requirements to permit promoter to disseminate sales communications promoting the Fund subject to compliance with Part 15 of NI 81-102, relief to permit the Fund's prospectus to not contain an underwriter's certificate, and relief from take-over bid requirements in connection with normal course purchases of units on the Toronto Stock Exchange as the declaration of trust provides that no unitholder can exercise voting rights beyond the 20% threshold.

Applicable Legislative Provisions

Securities Act , R.S.O. 1990, c. s.5, as amended, ss. 25(1), 59(1), 74(1), 95, 96, 97, 98, 100, 104(2)(c) and 147.

Rules Cited

National Instrument 81-102 - Mutual Funds – Part 15.

May 15, 2009

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
CLAYMORE INVESTMENTS, INC.
(the "Filer")

AND

IN THE MATTER OF
CLAYMORE GOLD BULLION TRUST
(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 (the "**Legislation**") for a decision that:

1. The dealer registration requirement does not apply to the Filer in connection with the dissemination of sales communications relating to the distribution of Common Units (as defined below) of the Fund;

2. In connection with the distribution of Common Units of the Fund pursuant to a prospectus or any renewal prospectus, the Fund be exempt from the requirement that its prospectus or renewal prospectus contain a certificate of the underwriter or underwriters who are in a contractual relationship with the issuer whose securities are being offered; and

3. Purchasers of Common Units of the Fund be exempted from the Take-over Bid Requirements,

(the "**Exemption Sought**")

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

(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 Alberta, British Columbia, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut.

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 herein.

The following terms shall also have the meanings ascribed below:

"**Common Units**" means the trust units of the Fund, after Conversion (as defined below).

"**Designated Brokers**" means registered brokers and dealers that enter into agreements with the Fund to perform certain duties in relation to the Fund.

"**Prescribed Number of Common Units**" means the number of Common Units of the Fund determined by the Filer from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"**Take-over Bid Requirements**" means the requirements of the Legislation relating to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee in with each applicable jurisdiction, in respect of take-over bids for the Fund.

"**Underwriters**" means registered brokers and dealers that have entered into underwriting agreements with the Fund

and that subscribe for and purchase Common Units from the Fund, and "**Underwriter**" means any one of them.

"**Unitholders**" means beneficial and registered holders of Common Units.

Representations

1. The Fund is a closed-end investment trust (a non-redeemable investment fund under the Legislation) governed by the laws of Ontario. A preliminary prospectus in respect of the Fund was filed via SEDAR under project No. 1406917 on April 21, 2009. Once a final prospectus for the Fund is filed and receipt is obtained, the Fund will be a reporting issuer under the securities legislation of each province and territory of Canada. The final prospectus will qualify the issuance of redeemable, transferable trust units of the Fund ("Fund Units") and Fund Unit purchase warrants ("Warrants"). Each Warrant will entitle its holder to purchase one Fund Unit at an exercise price of $10.00 at any time before 4:00 p.m. (Toronto time) on the date that is 6 months following the closing of the Fund's initial public offering (the "Expiry Time"). Any Warrant that is not exercised by the Expiry Time will be void and of no value.

2. The Filer is the trustee and manager of the Fund and is a registered investment counsel, portfolio manager and limited market dealer in Ontario and is registered as an investment adviser with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. The Filer is a wholly-owned subsidiary of Claymore Group, Inc., a financial services and asset management company based in Chicago, Illinois.

3. The principal office of the Filer and the Fund is located at 200 University Avenue, 13th Floor, Toronto, Ontario, M5H 3C6.

4. Neither the Filer nor the Fund is in default of the securities legislation of any province or territory of Canada.

5. The Filer has applied to list the Fund Units and Warrants on the TSX. The Filer will not file a final prospectus for the Fund until the TSX has conditionally approved the listing of the Fund Units and Warrants.

6. The investment objective of the Fund is to replicate the performance of the price of gold bullion, less the Fund's expenses and fees. The Fund does not anticipate making regular distributions.

7. The net proceeds of the Fund's initial public offering (the "**Offering**") will be used to purchase physical gold bullion (the "**Portfolio**") in accordance with the investment objective, strategy, policies and restrictions of the Fund.

8. The Fund has been created to provide holders of Units with an exposure to physical gold bullion with a currency hedge against the US dollar ("**USD**"). The Manager believes that the Fund will provide a secure, low-cost and convenient alternative to investors interested in holding gold bullion. Given that gold bullion is priced in USD, the Fund will hedge substantially all of the Fund's USD currency value back to the Canadian dollar.

9. Commencing in 2010, Fund Units may be surrendered annually for redemption during the period from May 1 until 5:00 p.m. (Toronto time) on the 20th business day before the last business day in June in each year (the "**Notice Period**") subject to the Fund's right to suspend redemptions in certain circumstances. Fund Units surrendered for redemption during the Notice Period will be redeemed on the second last business day of June of each year (the "**Annual Redemption Date**") and Unitholders will receive payment on or before the 15th day following the Annual Redemption Date. Redeeming Unitholders will receive a redemption price per Fund Unit equal to the net asset value ("**NAV**") per Fund Unit determined as of the Annual Redemption Date less any costs and expenses incurred by the Fund in order to fund such redemption. Fund Units are also redeemable monthly for a redemption price determined by reference to the trading price of the Fund Units.

10. The Fund is structured such that commencing after six months following the closing of the Offering, if for a period of 10 consecutive trading days, the daily weighted average trading price (or, in the event there has been no trading on a particular day, the average of the closing bid and ask prices) of the Fund Units reflects a discount of greater than 2% of NAV per Fund Unit for that day, there will be an automatic conversion (a "**Conversion**") of the Fund to an open-ended exchange-traded fund ("**ETF**"). In the event of a Conversion, the Fund's investment objective, investment strategy and investment restrictions will remain the same.

11. Neither Fund Units nor Common Units issued by the Fund will be Index Participation Units within the meaning of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"). After a Conversion, the Fund will be generally described as an ETF and would become a "mutual fund" under the Legislation and accordingly, would be subject to the provisions of NI 81-102.

12. At the time of a Conversion, the Fund will prepare and file a preliminary prospectus of the Fund relating to the proposed continuous distribution of Common Units issuable after Conversion and

enter into the necessary designated broker and underwriting agreements in connection with such offerings. The Fund will not commence continuous distribution of the Common Units at least until the final prospectus in respect of such distribution has been receipted.

13. In the event of the Conversion of the Fund to an ETF such annual redemptions will no longer be available and Unitholders will be able to exchange and redeem their Common Units. After Conversion, on any trading day, Unitholders may exchange the Prescribed Number of Common Units (or an integral multiple thereof) for baskets of physical gold bullion and cash. Also after Conversion, on any trading day, Unitholders may redeem Common Units of the Fund for cash at a redemption price per Common Unit equal to 95% of the closing price for the Common Units on the TSX on the effective day of the redemption.

14. From and after a Conversion:

(a) Common Units may only be subscribed for or purchased directly from the Fund by Underwriters or Designated Brokers and orders may only be placed for Common Units in the Prescribed Number of Common Units (or an integral multiple thereof) on any day when there is a trading session on the TSX. Under Designated Broker and Underwriter agreements, the Designated Brokers and Underwriters agree to offer Common Units for sale to the public only as permitted by applicable Canadian securities legislation, which requires a prospectus to be delivered to purchasers buying Common Units as part of a distribution. Therefore, first purchasers of Common Units in the distribution on the TSX will receive a prospectus from the Designated Brokers and Underwriters.

(b) The Fund will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Common Units of the Fund for the purpose of maintaining liquidity for the Common Units.

(c) For each Prescribed Number of Common Units issued, a Designated Broker or Underwriter must deliver payment consisting of, in the Filer's discretion as manager of the Fund, (i) one basket of physical gold bullion (where a "basket of gold bullion" represents a preset amount of gold bullion that the Manager will determine and publish on its website following the close of business on each trading day) and cash in an amount sufficient so that the value of the physical gold bullion and the cash received is equal to the NAV of the Common Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the NAV of the Common Units next determined following the receipt of the subscription order; or (iii) a different combination of physical gold bullion than is represented by a basket of physical gold bullion and cash, as determined by the Manager, in an amount sufficient so that the value of the physical gold bullion and cash received is equal to the NAV of the Common Units next determined following the receipt of the subscription order.

(d) The net asset value per Common Unit of the Fund will be calculated and published daily and the investment portfolio of the Fund will be made available daily on the Filer's website.

(e) Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Common Units in cash in an amount not to exceed 0.3% of the NAV of the Fund, or such other amount established by the Filer and disclosed in the prospectus of the Fund, next determined following delivery of the notice of subscription to that Designated Broker.

(f) Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Common Units to them. The Filer may, at its discretion, charge an administration fee on the issuance of Common Units to the Designated Brokers or Underwriters.

(g) Except as described in subparagraphs (a) through (e) above, Common Units may not be purchased directly from the Fund. Investors are generally expected to purchase Common Units through the facilities of the TSX. However, Common Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains and in accordance with the distribution reinvestment plan of the Fund, as disclosed in the Fund's final prospectus.

(h) Unitholders that wish to dispose of their Common Units may generally do so by selling their Common Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a

Prescribed Number of Common Units or an integral multiple thereof may exchange such Common Units for baskets of physical gold bullion and cash at an exchange price equal to the NAV per Common Unit on the effective day of the exchange request. Unitholders may also redeem their Common Units for cash at a redemption price equal to 95% of the closing price of the Common Units on the TSX on the date of redemption.

(i) As manager, the Filer receives a fixed annual fee from the Fund. Such annual fee is calculated as a fixed percentage of the NAV of the Fund. As manager, the Filer is responsible for all costs and expenses of the Fund except the management fee, any expenses related to the implementation and on-going operation of an independent review committee under National Instrument 81-107, brokerage expenses and commissions, custodian settlement fees, income taxes and withholding taxes and extraordinary expenses.

(j) No investment dealers will act as principal distributors for the Funds in connection with the distribution of Common Units. The Underwriters will not receive any commission or payment from the Fund or the Filer in connection with the distribution of Common Units. As a result, the Filer will be the only entity desiring to foster market awareness and promote trading in the Common Units through the dissemination of sales communications.

(k) Because Underwriters will not receive any remuneration for distributing Common Units, and because Underwriters will change from time to time, it is not practical to require an underwriters' certificate in the prospectus of the Fund.

(l) Unitholders will have the right to vote at a meeting of Unitholders in respect of the Fund in certain circumstances, including prior to any change in the investment objective of the Fund, any change to their voting rights and prior to any increase in the amount of fees payable by the Fund.

15. Although Common Units will trade on the TSX, and the acquisition of Common Units can therefore be subject to the Take-over Bid Requirements:

(a) it will not be possible for one or more Unitholders to exercise control or direction over the Fund as the declaration of trust in respect of the Fund will ensure that there can be no changes made to the Fund which do not have the support of the Filer and also will ensure that a Unitholder cannot exercise the votes attached to Common Units which represent 20% or more of the votes attached to all outstanding Common Units;

(b) it will be difficult for purchasers of Common Units to monitor compliance with Take-over Bid Requirements because the number of outstanding Common Units will always be in flux as a result of the ongoing issuance and redemption of Common Units by the Fund; and

(c) the way in which Common Units will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding Common Units because Common Unit pricing will be dependent upon the performance of the Portfolio of the Fund as a whole.

Decision

The principal regulator is satisfied that the decision meets the tests 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:

(a) In respect of the relief granted from the dealer registration requirement, the Filer complies with Part 15 of NI 81-102; and

(b) The purchase of Common Units by a person or company in the normal course through the facilities of the TSX is exempt from the Take-over Bid Requirements from the time the Fund becomes and for so long as the Fund remains an ETF.

"James Turner"
Commissioner

"Margot Howard"
Commissioner

ONTARIO SECURITIES COMMISSION

2.1.13 Canadian Banc Capital Securities Trust

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption from National Instrument 81-106 Investment Fund Continuous Disclosure to permit investment fund that uses specified derivatives to calculate its NAV weekly and not on a daily basis, subject to certain conditions.

Applicable Legislative Provisions

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

May 19, 2009

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
CANADIAN BANC CAPITAL
SECURITIES TRUST
(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 relief from the requirement in section 14.2(3)(b) of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) that the net asset value (NAV) of an investment fund must be calculated at least once every business day if the investment fund uses specified derivatives (the Exemption Sought).

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

(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 Alberta, British Columbia, Manitoba, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

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 Filer:

1. The Filer will be an investment trust, to be established under the laws of Ontario pursuant to a trust agreement.

2. Connor, Clark & Lunn Capital Markets Inc. (the Manager) is the promoter and manager of the Filer. The Manager will be responsible for providing or arranging for the provision of administrative services required by the Filer. The head office of the Manager is located in Ontario.

3. The Filer filed a preliminary prospectus (the Preliminary Prospectus) dated April 15, 2009 on SEDAR with respect to a public offering (the Offering) of Class A Units and Class F Units (collectively, the Units, and each holder of a Unit a Unitholder) in each of the provinces and territories of Canada, a receipt for which was issued by the Ontario Securities Commission on April 16, 2009. The Offering of the Units is a one-time offering and the Filer will not continuously distribute the Units.

4. The Filer's investment objectives are (i) to provide Unitholders with attractive tax-advantaged quarterly cash distributions, and (ii) to return to Unitholders at least the original issue price of the Units upon termination of the Fund on June 30, 2014. The Filer will seek to achieve its investment objectives through exposure to an actively managed portfolio (the Portfolio) consisting primarily of securities issued by entities related to the six largest Canadian banks that hold debt securities, deposit notes of the banks, or other assets which are used to generate income to be distributed to holders of such securities.

5. The Portfolio will be held by Portfolio Trust, a trust to be established under the laws of the Province of Ontario pursuant to a trust agreement. The Manager is also the manager and promoter of Portfolio Trust.

6. Portfolio Trust will be established for the purpose of acquiring and holding the Portfolio. The Filer will seek to achieve its investment objective by entering into a forward purchase and sale agreement (the Forward Agreement) with a Canadian

financial institution or one of its affiliates (the Counterparty) pursuant to which the Counterparty will agree to deliver to the Filer on the earlier of: (i) June 30, 2014; or (ii) any other date upon which the Forward Agreement is terminated in accordance with its terms (the Forward Termination Date), a portfolio consisting of Canadian public issuers that are "Canadian securities" as defined under subsection 39(6) of the *Income Tax Act* (Canada) (the Canadian Securities Portfolio). The aggregate value of the Canadian Securities Portfolio will be equal to the redemption proceeds of a corresponding number of units of Portfolio Trust, net of any amount owing by the Filer to the Counterparty.

7. The Class A Units have received conditional listing approval from the Toronto Stock Exchange (the TSX).

8. The Class F Units are designed for fee-based accounts and differ from the Class A Units in the following ways: (i) Class F Units will not be listed on a stock exchange; (ii) the fees payable to the syndicate of agents with respect to the Offering on the issuance of the Class F Units are lower than the Class A Units; and (iii) the service fee component of the management fee payable to the Manager, being 0.40% per annum of the net asset value attributable to the Class A Units, plus applicable taxes, is only payable with respect to the Class A Units. The Class F Units are convertible into Class A Units and it is expected that liquidity for the Class F Units will be obtained by means of conversion into Class A Units and the sale of those Class A Units through the facilities of the TSX.

9. Class A Units and Class F Units may be redeemed on the second last business day of November of any year commencing in 2010 (but must be surrendered by the Unitholder on the last business day of October in order to be redeemed), subject to certain conditions, at a redemption price per Unit equal to 100% of the net asset value per Unit of the relevant class, as applicable (less any costs associated with the redemption, including brokerage costs, and less any net realized capital gains to the Filer that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption).

10. In addition to such annual redemption right, Class A Units and Class F Units may be redeemed on the second last business day of each month, other than in the month of November (but must be surrendered by the Unitholder on the last business day of the month preceding the redemption month in order to be redeemed), subject to certain conditions, at a redemption price computed by reference to the market price of the Class A Units on the applicable monthly redemption date (and less any costs associated with the redemption, including brokerage costs).

11. Class F Units may be converted in any month on the first business day of the month (the Conversion Date) by delivering a notice and surrendering such Class F Units by 5:00 p.m. (Toronto time) at least 10 business days prior to the Conversion Date. For each Class F Unit so converted, a holder will receive that number of Class A Units equal to the net asset value per Class F Unit as of the close of trading on the business day immediately preceding the Conversion Date divided by the net asset value per Class A Unit as of the close of trading on the business day immediately preceding the Conversion Date.

12. Under section 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer that uses or holds specified derivatives, such as the Filer intends to do, must calculate its net asset value on a daily basis.

13. The Filer proposes to calculate net asset value on the Friday of each week (or if any Friday is not a business day, the immediately preceding business day) and the last business day of each month.

14. The Preliminary Prospectus discloses, and the final prospectus of the Filer will disclose, that the net asset value per Unit of each class of Units will be calculated and made available to the financial press for publication on a weekly basis. The Manager will provide to the public on request, and will post the net asset value per Unit of each class of Units on its website at www.cclcapitalmarkets.com.

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:

(a) the Class A Units are listed on the TSX; and

(b) the Filer calculates the net asset value per Unit of each class of Units at least weekly.

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

2.1.14 Howard Weil Incorporated – s. 6.1(1) of NI 31-102, s. 6.1 of OSC Rule 13-502

Headnote

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

Rules Cited

National Instrument 31-102 – National Registration Database (2007) 30 O.S.C.B. 5430, s. 6.1.
Ontario Securities Commission Rule 13-502 – Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
HOWARD WEIL INCORPORATED

DECISION

(Subsection 6.1(1) of National Instrument 31-102 – *National Registration Database* and Section 6.1 of Ontario Securities Commission Rule 13-502 – *Fees*)

UPON the Director having received the application of Howard Weil Incorporated (the **Applicant**) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 - *National Registration Database* (**NI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 - *Fees* (**Rule 13-502**) in respect of this discretionary relief;

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

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

1. The Applicant is incorporated under the laws of the State of Maryland in the United States of America. The head office of the Applicant is located in New Orleans, Louisiana, United States of America.

2. The Applicant is registered as a broker-dealer with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority in the United States.

3. The Applicant is not registered in any capacity under the Act and is not a reporting issuer in any province or territory of Canada. However, the Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of international dealer.

4. NI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the **electronic funds transfer requirement** or **EFT Requirement**).

5. The Applicant anticipates encountering difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not registered in, and does not intend to register in, another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

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

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies, or has received an exemption from the EFT Requirement in each jurisdiction to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer, international adviser or in an equivalent registration category;

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

May 19, 2009

"Erez Blumberger"
Manager, Registrant Regulation
Ontario Securities Commission

2.2 Orders

2.2.1 Genesis Land Development Corp. - s. 144

Headnote

Permanent issuer cease-trade order revoked where the issuer has remedied its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 144.

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

AND

IN THE MATTER OF
GENESIS LAND DEVELOPMENT CORP.

ORDER
(Section 144)

WHEREAS on April 27, 2009, the Director made an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (the "Permanent Order") that all trading in and acquisitions of the securities of

GENESIS LAND DEVELOPMENT CORP. (the "Reporting Issuer")

whether direct or indirect, cease until the Permanent Order is revoked by the Director;

AND WHEREAS the Permanent Order was made on the basis that the Reporting Issuer was in default of certain filing requirements under Ontario securities law;

AND WHEREAS the Reporting Issuer has represented to the Commission that:

1. The Reporting Issuer is a reporting issuer under the securities legislation of the provinces of Alberta, British Colombia, Saskatchewan, Manitoba, Ontario, Nova Scotia and Prince Edward Island (the "Reporting Jurisdictions").

2. The Reporting Issuer has filed with the Reporting Jurisdictions all outstanding continuous disclosure that is required to be filed under the securities legislation of the Reporting Jurisdictions, except any continuous disclosure that staff of the Reporting Jurisdictions elected not to require as contemplated in part 3.1(2) and 3.1(3) of National Policy 12-202 *Revocation of a Compliance-Related*

Cease Trade Order, and has paid all outstanding activity, participation and late filing fees that are required to be paid.

3. The Reporting Issuer's SEDAR profile and SEDI issuer profile supplement are up-to-date.

AND WHEREAS the Director is of the opinion that it is not prejudicial to the public interest to revoke the Permanent Order;

IT IS ORDERED under section 144 of the Act that the Permanent Order is revoked.

DATED at Toronto this 14th day of May, 2009.

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

2.2.2 CIC Mining Resources Ltd. - s. 144

Headnote

Application by an issuer for an order revoking a cease trade order made by the Commission - cease trade order issued as a result of the issuer's failure to file certain continuous disclosure documents required by Ontario securities law - defaults subsequently remedied by bringing continuous disclosure filings up-to-date - cease trade order revoked.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

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

AND

IN THE MATTER OF
CIC MINING RESOURCES LTD.

ORDER
(Section 144)

WHEREAS a Director of the Ontario Securities Commission (the **Commission**) issued a temporary cease trade order dated January 12, 2009 under section 127 of the Act, as extended by an order dated January 23, 2009 (together, the **Current Cease Trade Order**) directing that all trading in the securities of CIC Mining Resources Ltd. (the **Applicant**) cease until further order by the Director;

AND WHEREAS the Applicant has applied to the Commission for an order pursuant to section 144 of the Act revoking the Current Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the *Canada Business Corporations Act* on June 20, 2003.

2. The Applicant is a royalty investment company whose strategy is to acquire royalty interests in the natural resource and energy sectors.

3. The Applicant is a reporting issuer in Alberta, British Columbia and Ontario. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

4. British Columbia is the principal regulator of the Applicant.

5. As at the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares and an unlimited number of

preferred shares, of which 108,545,322 common shares and no preferred shares are issued and outstanding.

6. The common shares of the Applicant are listed and posted for trading on the Canadian National Stock Exchange. There are no securities of the Applicant currently listed or posted for trading or quoted on any other exchange or market in Canada.

7. The Applicant has been subject to a prior cease trade order issued by the Commission on February 6, 2007 (the **Prior Cease Trade Order**) directing that all trading in the securities of the Applicant cease until further order by the Director.

8. The Prior Cease Trade Order was issued as a result of the Applicant's failure to file certain continuous disclosure materials in the form and with the content required by Ontario securities law.

9. On March 27, 2007 and April 2, 2007, the Applicant filed or re-filed with the Commission the foregoing continuous disclosure materials in the form and with the content required by Ontario securities law.

10. On April 11, 2007, the Commission issued a full revocation of the Prior Cease Trade Order.

11. The Current Cease Trade Order was issued due to the Applicant's failure to file, in accordance with the requirements of Ontario securities law, the interim financial statements and the related management's discussion and analysis for the nine-month period ended October 31, 2008 (the **Continuous Disclosure Documents**).

12. The British Columbia Securities Commission (the **BCSC**) also issued a cease trade order dated January 8, 2009 (the **BC CTO**).

13. The Applicant failed to file the Continuous Disclosure Documents because the fees payable to a consultant accountant of the Applicant in connection with the filing of the Continuous Disclosure Documents were not available due to bank transfer regulation issues in the People's Republic of China. The Applicant is based in Beijing, People's Republic of China.

14. The Applicant filed the Continuous Disclosure Documents and related officers' certificates on SEDAR on February 9, 2009.

15. On February 10, 2009, the BCSC issued a full revocation of the BC CTO.

16. Other than the Current Cease Trade Order, the Applicant is not in default of its continuous disclosure obligations under Ontario securities law and has paid all outstanding fees to the Commission, including all applicable activity and participation fees and late filing fees.

17. There have been changes of directors, officers, insiders or controlling shareholders of the Applicant since the date of the Current Cease Trade Order. Mr. Ye Hu, a certified general accountant, was appointed to the board of directors of the Applicant on February 1, 2009.

18. There have been no material changes to the Applicant's business or operations since the date of the Current Cease Trade Order, and there are currently no such material changes planned.

19. The Applicant's issuer profiles on SEDAR and SEDI are up-to-date.

20. Upon the issuance of this revocation order, the Applicant will issue a news release and file a material change report on SEDAR.

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

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest to revoke the Current Cease Trade Order;

IT IS ORDERED, pursuant to section 144 of the Act, that the Current Cease Trade Order is revoked.

DATED at Toronto this 24th day of April, 2009.

"Jo-Anne Matear"
Corporate Finance Branch

2.2.3 International Road Dynamics Inc. - s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127 and 144.

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

AND

IN THE MATTER OF
INTERNATIONAL ROAD DYNAMICS INC.

ORDER
(Section 144)

WHEREAS on March 18, 2009, the Director made an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (the "Permanent Order") that all trading in and acquisitions of the securities of

INTERNATIONAL ROAD DYNAMICS INC. (the "Reporting Issuer")

whether direct or indirect, cease until the Permanent Order is revoked by the Director;

AND WHEREAS the Permanent Order was made on the basis that the Reporting Issuer was in default of certain filing requirements under Ontario securities law;

AND WHEREAS the Reporting Issuer has represented to the Ontario Securities Commission that:

1. the Reporting Issuer is a reporting issuer under the securities legislation of the provinces of British Columbia, Alberta, Ontario and Saskatchewan (the "Reporting Jurisdictions");

2. the Reporting Issuer has filed all outstanding continuous disclosure that is required to be filed under the securities legislation of the Reporting Jurisdictions and has paid all outstanding activity, participation and late filing fees that are required to be paid; and

3. the Reporting Issuer's SEDAR profile and SEDI issuer profile supplement are up-to-date;

AND WHEREAS the Director is of the opinion that it is not prejudicial to the public interest to revoke the Permanent Order;

IT IS ORDERED under section 144 of the Act that the Permanent Order is revoked.

DATED at Toronto this 14th day of May, 2009.

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

2.2.4 Gord McQuarrie - ss. 37, 127(1), 127.1

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

AND

**IN THE MATTER OF
GORD MCQUARRIE**

**ORDER
(Sections 37, 127(1), and 127.1)**

WHEREAS by Notice of Hearing dated June 11, 2008, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing commencing on, June 18, 2008 to consider whether, pursuant to sections 37, 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") it is in the public interest to make orders, as specified therein, against Shallow Oil & Gas Inc. ("Shallow Oil"), Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), Abraham Herbert Grossman, also known as Allen Grossman ("Grossman"), Marco Diadamo ("Diadamo"), Gord McQuarrie ("McQuarrie"), Kevin Wash ("Wash"), and William Mankofsky ("Mankofsky");

AND WHEREAS on April 21st, 2009, the Commission issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Act, 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 McQuarrie;

AND WHEREAS McQuarrie entered into a settlement agreement dated May 10th, 2008 (the "Settlement Agreement") in which McQuarrie agreed to a settlement of the proceeding commenced by the Notice of Hearing dated June 11th, 2008, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from McQuarrie and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1), trading in any securities by McQuarrie cease for a period of 4 years from the date of this Order;

(b) pursuant to clause 2.1 of subsection 127(1), the acquisition of any securities by McQuarrie is prohibited for a period of 4 years from the date of this Order;

(c) pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to McQuarrie for a period of 4 years from the date of this Order;

(d) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

(e) pursuant to clause 8.5 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(f) pursuant to clause 9 of subsection 127(1), McQuarrie shall pay an administrative penalty of $500 for his failure to comply with Ontario securities law. The $500 administrative penalty shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay this sum in full on or before July 30, 2009;

(g) pursuant to clause 10 of subsection 127(1), McQuarrie shall disgorge to the Commission $2,500, being the amount obtained by him as a result of non-compliance with securities law. The $2,500 disgorged shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay $250 per month commencing on the 1st day of the June, 2009 and continuing each month thereafter until the $2,500 has been disgorged;

(h) pursuant to section 37, McQuarrie shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security;

(i) pursuant to section 127.1, McQuarrie shall pay $500 in respect of the costs of the investigation and the hearing incurred by or on behalf of the Commission within six months of the date of this Order; and,

(j) before the Settlement Agreement is published on the Commission website, the names of the investors in paragraphs 30 (including footnotes), 31, and 32 shall be redacted to protect the privacy interests of the investors.

DATED AT TORONTO this 12th day of May, 2009.

"Wendell S. Wigle"

"Suresh Thakrar"

2.2.5 Teodosio Vincent Pangia et al. - s. 127(7)

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

AND

**IN THE MATTER OF
TEODOSIO VINCENT PANGIA
AND TRANSDERMAL CORP.**

**TEMPORARY ORDER
Section 127(7)**

WHEREAS on February 23, 2009, the Ontario Securities Commission (the "Commission") ordered pursuant to sections 127(1) and 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") that immediately for a period of 15 days from the date thereof: (a) all trading in securities by Transdermal Corp. ("Transdermal") shall cease and that all trading in securities of Transdermal shall cease; and (b) all trading in securities by Teodosio Vincent Pangia ("Pangia") shall cease (the "Temporary Order");

AND WHEREAS on February 25, 2009, the Commission issued a Notice of Hearing and Statement of Allegations in this matter;

AND WHEREAS on March 9, 2009, the Temporary Order was continued until April 8, 2009, or until further order of the Commission;

AND WHEREAS on April 8, 2009, the Temporary Order was continued until May 11, 2009, or until further order of the Commission;

AND WHEREAS on May 8, 2009, a hearing was held in this matter;

AND WHEREAS Transdermal does not oppose the continuation of the Temporary Order until May 25, 2009;

AND WHEREAS Pangia does not oppose the continuation of the Temporary Order until May 26, 2009, with the qualification that he takes the position that the Temporary Order is unnecessary because it duplicates the Commission's December 16, 2003, Order against Pangia and on the expectation that Staff will comply with its timely disclosure obligations prior to May 25, 2009;

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

AND UPON HEARING submissions from counsel for Staff of the Commission, counsel for Transdermal, and counsel for Pangia;

IT IS ORDERED THAT the Temporary Order is continued until May 26, 2009, or until further order of the Commission;

AND IT IS FURTHER ORDERED THAT any party to this proceeding may bring a motion to vary the terms of the Temporary Order on four days notice;

AND IT IS FURTHER ORDERED THAT this matter is adjourned until May 25, 2009 at 10:00 am.

DATED at Toronto this 8th day of May, 2009.

"Lawrence E. Ritchie"

2.2.6 Maple Leaf Investment Fund Corp. 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
MAPLE LEAF INVESTMENT FUND CORP.
and JOE HENRY CHAU (aka: HENRY JOE CHAU, SHUNG KAI CHOW and HENRY SHUNG KAI CHOW)

ORDER
(Section 127(8))

WHEREAS on May 5, 2009, the Ontario Securities Commission (the "Commission") made an order pursuant to sections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in respect of Maple Leaf Investment Fund Corp. and Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow) (collectively, the "Respondents") that all trading in securities by the Respondents cease, and that any exemptions contained in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS a hearing was held on May 15, 2009 to consider the extension of the Temporary Order and at that time the Commission considered the evidence filed by Staff and the submissions of Staff and of the Respondents;

AND WHEREAS Maple Leaf Investment Fund Corp. and Joe Henry Chau consent to a continuation of the Temporary Order until November 19, 2009 for the purpose of the Respondents seeking and retaining counsel to respond to the proceeding;

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

IT IS ORDERED THAT:

1. in respect of the Respondents, the Temporary Order is continued until November 19, 2009 or until further order of the Commission; and

2. this matter shall return before the Commission on November 16, 2009 at 10:00 a.m. or such other time as notified by the Secretary's Office.

DATED at Toronto this 15th day of May, 2009.

"Lawrence E. Ritchie"

2.2.7 Rajeev Thakur – 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
RAJEEV THAKUR**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on January 9, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), accompanied by Staff's Statement of Allegations, in relation to the Respondent, Rajeev Thakur ("Thakur");

AND WHEREAS Thakur entered into a settlement agreement dated May 15, 2009 (the "Settlement Agreement") in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated January 9, 2009, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Staff's Statement of Allegations, and upon hearing submissions from counsel for Staff and the Respondent;

AND WHEREAS the Respondent acknowledges that the facts set out in Part III of the Settlement Agreement constituted insider trading contrary to section 76(1) of the Act;

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 between Thakur and Staff of the Commission is approved;

2. pursuant to paragraph 127(2) of the Act, trading in any securities by Thakur cease permanently from the date of the approval of the Settlement Agreement, except that he is permitted to trade only in mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and trade only in mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

3. pursuant to paragraph 127(2.1) of the Act, acquisition of any securities by Thakur is prohibited permanently from the date of the approval of the Settlement Agreement, except that he is permitted to acquire mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and to acquire mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

4. Notwithstanding paragraphs (2) and (3) above, Thakur shall have 60 days from the date of this Order to effect liquidating trades of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control. Thakur shall provide a record of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control to Staff and will provide evidence to Staff that he has liquidated all non-mutual fund securities that he owns beneficially or over which he exercises discretion or control within 60 days from the date of this Order;

5. pursuant to paragraph 127(3) of the Act, any exemptions contained in Ontario securities law do not apply to Thakur permanently except that he is permitted to trade or acquire mutual funds through a registered dealer as specified in paragraphs (2) and (3) above;

6. pursuant to paragraph 127(6) of the Act, Thakur is reprimanded;

7. pursuant to paragraph 127(7) of the Act, Thakur shall resign any positions that he holds as a director or officer of any issuer;

8. pursuant to paragraph 127(8) of the Act, Thakur is prohibited permanently from becoming or acting as a director or officer of any registrant or issuer;

9. pursuant to paragraph 127(10) of the Act, Thakur shall disgorge to the Commission the amount of $642,056.29, being the amount of the profit made by him to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

10. pursuant to paragraph 127(9) of the Act, Thakur shall pay an administrative penalty to the Commission in the amount of $481,542.22, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties; and

11. pursuant to section 127.1 of the Act, Thakur agrees to pay costs in the amount of $25,000 to the Commission.

DATED at Toronto this 15th day of May, 2009.

"James E.A. Turner"

"Suresh Thakrar"

2.2.8 Wells Fargo Bank, National Association et al. – s. 46(4) of the OBCA

Headnote

Order pursuant to subsection 46(4) of the Business Corporations Act (Ontario) - trust indenture to be governed by the United States Trust Indenture Act of 1939 , as amended, in connection with a proposed public offering of debt securities of an issuer in the United States and Canada - trustee to be appointed under the trust indenture has filed with the Commission and on SEDAR a submission to the non-exclusive jurisdiction of the courts and administrative tribunals of Ontario and appointment of an agent for service of process in Ontario - any pricing supplement or prospectus supplement under which the debt securities will be offered in Ontario will include disclosure about the existence of this order and a statement regarding the risks associated with the purchase of debt securities of the issuer under the trust indenture by a holder in Ontario as a result of the absence of a local trustee appointed under the trust indenture - trust indenture exempted from the requirements of Part V of the Business Corporations Act (Ontario).

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B-16, as amended, ss. 46(2), 46(3), 46(4), Part V.
Securities Act, R.S.O. 1990, c. S.5, as amended.
Trust Indenture Act of 1939, 53 Stat. 1149 (1939), 15 U.S.C., ss. 77aaa - 77bbb, as amended.

May 15, 2009

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16, AS AMENDED
(THE "OBCA")

AND

IN THE MATTER OF
WELLS FARGO BANK, NATIONAL ASSOCIATION
AND KINROSS GOLD CORPORATION

ORDER
(Subsection 46(4) of the OBCA)

UPON the application of Wells Fargo Bank, National Association (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 46(4) of the OBCA exempting a trust indenture (the "Indenture") to be entered into between Kinross Gold Corporation ("Kinross") and the Applicant from the requirements of Part V of the OBCA;

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

AND UPON it being represented by Kinross and the Applicant to the Commission that:

1. The Applicant is a financial institution organized under the laws of South Dakota and is neither resident nor authorized to do business in Ontario.

2. The Applicant will be the trustee under the Indenture to be entered into between Kinross and the Applicant.

3. Kinross is a corporation existing under the OBCA. Kinross is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and is not in default of any requirement under the Act or the rules and regulations promulgated thereunder. Kinross's head office is located at 52nd Floor, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3Y2.

4. Kinross proposes to issue from time to time debt securities (the "Securities") in Canada under the Indenture.

5. The Indenture will be governed by the laws of the State of New York and the federal laws of the United States applicable therein.

6. A short form base shelf prospectus (the "Canadian Base Shelf Prospectus") will be filed by Kinross with the Commission and with each of the Provinces in Canada pursuant to the applicable requirements of National Instrument 44-101 *Short Form Prospectus Distributions* and National Instrument 44-102 *Shelf Distributions* to qualify the distribution of the Securities in the Province of Ontario and in each of the other Provinces of Canada. The Indenture will be filed by Kinross with the Commission in connection with the filing of the Canadian Base Shelf Prospectus.

7. Public offers and sales of the Securities will be made, from time to time, in the United States pursuant to a shelf registration statement on Form F-10 (the "Registration Statement") which will be filed by Kinross with the United States Securities and Exchange Commission (the "SEC"). The Canadian Base Shelf Prospectus referred to in paragraph 6 above will form a part of the Registration Statement.

8. Because the Canadian Base Shelf Prospectus will be filed under the Act, Part V of the OBCA will apply to the Indenture by virtue of subsection 46(2) of the OBCA.

9. As a result of the filing of the Registration Statement with the SEC, the Indenture will be subject to and governed by the provisions of the United States *Trust Indenture Act of 1939*, as amended (the "TIA"). Upon the receipt of requested exemptions under the OBCA pursuant to the Order, if granted, the Indenture will continue to be subject to the TIA. The Indenture will provide that there shall always be a trustee thereunder that satisfies the requirements of sections 310(a)(1), 310(a)(2) and 310(b) of the TIA and that the terms

of such Indenture will be consistent with the requirements of the TIA.

10. Because the TIA regulates trustees and trust indentures of publicly offered debt securities in the United States in a manner that is consistent with Part V of the OBCA, holders of Securities in Ontario will not, subject to paragraph 11, derive any additional material benefit from having the Indenture be subject to Part V of the OBCA.

11. The Applicant has filed with the Commission and on SEDAR a submission to the non-exclusive jurisdiction of the courts and administrative tribunals of Ontario and appointment of an agent for service of process in Ontario (a "Submission to Jurisdiction and Appointment of an Agent for Service of Process").

12. Kinross has advised the Applicant that any pricing supplement or shelf prospectus supplement (a "Supplement") under which Securities will be offered or sold in Canada will disclose the existence of the Order, if granted, and state that the Applicant, its officers and directors, and the assets of the Applicant are located outside of Ontario and, as a result, it may be difficult for a holder of Securities to enforce rights against the Applicant, its officers or directors, or the Applicant's assets and that the holder may have to enforce rights against the Applicant in the United States.

13. It is not currently anticipated that the Securities issued in Canada pursuant to the Indenture will be listed on any stock exchange in Canada, but listing may occur in the future.

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

IT IS ORDERED, pursuant to subsection 46(4) of the OBCA, that the Indenture is exempt from Part V of the OBCA, provided that:

(a) the Indenture is governed by and subject to the TIA; and

(b) prior to or concurrently with the filing of any Supplement of Kinross, the Applicant, or any trustee that replaces the Applicant under the terms of the Indenture, has filed with the Commission and on SEDAR a Submission to Jurisdiction and Appointment of Agent for Service of Process.

"James E. A. Turner"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Shallow Oil & Gas Inc. et al.

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA,
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN,
MARCO DIADAMO, GORD McQUARRIE,
KEVIN WASH, and WILLIAM MANKOFSKY

SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND GORD McQUARRIE

PART I. - INTRODUCTION

1. By Notice of Hearing dated June 11, 2008, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing commencing on, June 18, 2008 to consider whether, pursuant to sections 37, 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") it is in the public interest to make orders, as specified therein, against Shallow Oil & Gas Inc. ("Shallow Oil"), Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), Abraham Herbert Grossman, also known as Allen Grossman ("Grossman"), Marco Diadamo ("Diadamo"), Gord McQuarrie ("McQuarrie"), Kevin Wash ("Wash"), and William Mankofsky ("Mankofsky").

2. By Notice of Hearing dated April 21st, 2009, the Commission announced that it will hold a hearing on May 12th, 2009 at 4 p.m. in respect of a Settlement Agreement (the "Settlement Agreement") between Staff of the Commission ("Staff") and McQuarrie. At the hearing, the Commission will consider whether, pursuant to sections 37, 127(1) and 127.1 of the Act, it is in the public interest to approve the Settlement Agreement.

PART II. – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing against McQuarrie in accordance with the terms and conditions set out below. McQuarrie 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

Background

4. McQuarrie is a resident of Toronto. McQuarrie worked for over 20 years for Richardson Securities, Midland Walwyn, and Merrill Lynch in Toronto. Staff do not allege any violations of the Act by McQuarrie while he worked for these firms.

5. McQuarrie has never been registered with the Commission in any capacity.

6. In 2006 and 2007, McQuarrie worked as a "qualifier" for Global Partners Capital ("Global Partners").

7. In 2006, McQuarrie worked as a "qualifier" at Limelight Entertainment Inc. ("Limelight").

8. As a qualifier, McQuarrie would call individuals and determine if they were interested in purchasing the securities being offered by Global Partners and Limelight.

9. Limelight was a respondent, along with other individuals, before the Commission as a result of a Notice of Hearing dated April 7, 2006. On February 12, 2008, after a hearing on the merits, a Panel of the Commission found that Limelight and certain of the other respondents had violated the Act. On December 10, 2008, a Panel of the Commission released its decision on sanctions as against Limelight and the other respondents.

10. Global Partners and certain other related companies and individuals are presently respondents before the Commission facing allegations of various breaches of the Act. A hearing on the merits with respect to this matter has been scheduled for dates in May and June, 2009.

11. McQuarrie was not a respondent before the Commission on the Limelight matter. McQuarrie is not a respondent before the Commission on the Global Partners matter.

Shallow Oil

12. Between September, 2007 and February, 2008 (the "Material Time"), Shallow Oil and the individual respondents traded securities of Shallow Oil from premises located at 7181 Woodbine Avenue in Markham, Ontario (the "Premises").

13. During the Material Time, Shallow Oil securities were traded to numerous investors and these investors sent over $200,000 to Shallow Oil.

14. Throughout the Material Time, Shallow Oil was not registered in any capacity with the Commission.

15. The trades in Shallow Oil securities were trades in securities not previously issued and were therefore distributions. No preliminary prospectus or prospectus was filed and no receipts were issued for them by the Director to qualify the trading of Shallow Oil securities.

16. Throughout the Material Time, McQuarrie was not registered with the Commission in any capacity.

17. McQuarrie commenced working at Shallow Oil in mid-November 2007 and stopped working for Shallow Oil on January 14, 2008.

18. January 14, 2008 was the date that Staff conducted an inspection of the Shallow Oil operations at the Premises. McQuarrie was inside the Premises when Staff conducted the inspection.

19. McQuarrie returned to the Premises after January 14, 2008 only to discover that Shallow Oil was no longer operating.

20. McQuarrie was interviewed for the job at Shallow Oil by an individual who identified himself as Wayne Matthews. McQuarrie later learned that this person's name was actually Al Grossman ("Grossman"). McQuarrie believed that Grossman was either the owner or a director of the company.

21. During the job interview, Grossman told McQuarrie that Shallow Oil was fully licensed by the Ontario Securities Commission and licensed by the Commission to sell shares.

22. At the beginning of his employment with Shallow Oil, McQuarrie was told by Wash that the people involved with Shallow Oil were also involved in "bringing out" Amerigo (TSX symbol: ARG). McQuarrie looked up Amerigo on the internet and discovered that it was listed on the TSX. This also led McQuarrie to believe that Shallow Oil was legitimate.

23. McQuarrie contacted investors or potential investors by phone and used the alias Gord Sinclair when speaking with investors or potential investors on the telephone.

24. McQuarrie was initially a qualifier at Shallow Oil, however, not long after he started Grossman promoted him to the job of a salesperson of Shallow Oil securities.

25. A party named Abel oversaw the salespeople and the qualifiers at Shallow Oil.

26. Potential investors were sent information packages about Shallow Oil by e-mail or facsimile.

27. McQuarrie advised potential investors and investors, with the intention of effecting trades, that Shallow Oil was about to be listed on a stock exchange and that the value or price of the securities would rise significantly when Shallow Oil was listed on a stock exchange.

28. After orally agreeing to invest, investors received a subscription agreement from Shallow Oil. The subscription agreement set out the quantity, unit price and total amount of investment. Investors were instructed to make cheques payable to Shallow Oil and to send the subscription agreement and cheques to a virtual office in Toronto, Ontario.

29. Investors received share certificates for common shares in Shallow Oil.

30. McQuarrie traded in securities of Shallow Oil as a salesperson. McQuarrie was involved in the sale or attempted sale of Shallow Oil securities to the following individuals and companies:

Order Date	Investor	Place of Residence	Amount Invested	Number of Shares @ $0.50
November 26, 2007	H. T. (J. H.)	Alberta	$1,000	2,000
November 27, 2007	J. B.	Alberta	$1,000	2,000
December 4, 2007	P. V.	Alberta	$25,000	50,000
January 7, 2008	C. L.[1]	Alberta	$5,000	10,000
December 6, 2007	F. J.[2]	Alberta	$1,000	2,000
January 9, 2008	J. N.[3]	Ontario	$1,000	2,000
January 10, 2008	C. H.[3]	Ontario	$1,000	2,000
January 14, 2008	D. R.[3]	Alberta	$1,000	2,000

31. McQuarrie was compensated for his sales of Shallow Oil securities. Salespersons received commission payments of 25% of the total amount invested. McQuarrie received $2,500 in commissions as a result of his sales of Shallow Oil securities. The commissions paid to McQuarrie were as follows:

Date of Cheque	Amount	Related to sale of Securities to:
December 7, 2007	$250 (Shallow Oil cheque #63)	H. T.
December 14, 2007	$250 (Shallow Oil cheque #79)	J. B.
December 21, 2007	$2,000 (Shallow Oil cheque #96)	P. V.

[1] McQuarrie did not receive any commission payment for this sale and does not recall making the trade. Shallow Oil documents list McQuarrie as the salesperson on this trade.

[2] Mr. J. did not end up purchasing securities of Shallow Oil.

[3] Mr. N., Mr. H. and Mr. R.'s courier packages to Shallow Oil (containing cheques payable to Shallow Oil) were intercepted by Staff of the Enforcement Branch of the Ontario Securities Commission.

32. The December 21, 2007 cheque was the commission payment on the sale of securities to P. V. McQuarrie had done the initial sales work with V. but was away when the sale was finalized. As a result, McQuarrie shared his commission for this sale with Kevin Wash.

33. On February 28, 2008, McQuarrie voluntarily attended at the offices of the Commission and was interviewed by Staff.

34. McQuarrie has had an opportunity to review the transcript of his interview and confirms the truth of the contents.

PART IV. - CONDUCT CONTRARY TO THE PUBLIC INTEREST

35. By engaging in the conduct described above, McQuarrie admits and acknowledges that he contravened Ontario securities law in the following ways:

(a) Trading securities of Shallow Oil & Gas Inc. without being registered by the Ontario Securities Commission to trade in securities, contrary to subsection 25(1)(a) of the Act;

(b) Trading securities of Shallow Oil & Gas Inc. in circumstances where the trading constituted a distribution and where no preliminary prospectus and prospectus had been filed and receipts issued by the Director, contrary to subsection 53(1) of the Act; and,

(c) Making prohibited representations, with the intention of effecting a trade in Shallow Oil & Gas Inc., that securities of Shallow Oil & Gas Inc. would be listed on a stock exchange, contrary to subsection 38(2) of the Act.

36. McQuarrie admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 34 (a), (b), and (c) .

PART V. - TERMS OF SETTLEMENT

37. McQuarrie agrees to the terms of settlement listed below.

38. The Commission will make an order, pursuant to s. 37, s. 127(1) and s. 127.1 of the Act, that:

(a) the Settlement Agreement is approved;

(b) trading in any securities by McQuarrie cease for a period of 4 years from the date of the approval of the Settlement Agreement;

(c) the acquisition of any securities by McQuarrie is prohibited for a period of 4 years from the date of the approval of the Settlement Agreement;

(d) any exemptions contained in Ontario securities law do not apply to McQuarrie for a period of 4 years from the date of the approval of the Settlement Agreement;

(e) McQuarrie disgorge to the Commission $2,500 obtained as a result of his non-compliance with Ontario securities law. The $2,500 disgorged shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay $250 per month commencing on the 1st day of the June, 2009 and continuing each month thereafter until the $2,500 has been disgorged;

(f) McQuarrie is prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager for a period of four years from the date of this Order;

(g) McQuarrie is prohibited for a period of 4 years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(h) McQuarrie pay an administrative penalty of $500 for his failure to comply with Ontario securities law. The $500 administrative penalty shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay this sum in full on or before July 30, 2009;

(i) McQuarrie pay costs of the investigation to Commission in the amount of $500 within six months of the date of this order; and,

(j) McQuarrie cease permanently, from the date of the approval of the Settlement Agreement, to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities.

PART VI. - STAFF COMMITMENT

39. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against McQuarrie in relation to the facts set out in Part III herein, subject to the provisions of paragraph 18 below.

40. If this Settlement Agreement is approved by the Commission, and at any subsequent time McQuarrie fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against McQuarrie based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII. - PROCEDURE FOR APPROVAL OF SETTLEMENT

41. Approval of this Settlement Agreement will be sought at a public hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and McQuarrie for the scheduling of the hearing to consider the Settlement Agreement.

42. Staff and McQuarrie agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding McQuarrie's conduct, unless the parties agree that further facts should be submitted at the settlement hearing.

43. If this Settlement Agreement is approved by the Commission, McQuarrie agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

44. If this Settlement Agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

45. Whether or not this Settlement Agreement is approved by the Commission, McQuarrie agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII. – DISCLOSURE OF SETTLEMENT AGREEMENT

46. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and McQuarrie leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and McQuarrie; and

(b) Staff and McQuarrie shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

47. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of both McQuarrie and Staff or as may be required by law.

PART IX. - EXECUTION OF SETTLEMENT AGREEMENT

48. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement

49. A facsimile copy of any signature will be as effective as an original signature.

Dated this 10th day of May, 2009.

Signed in the presence of:

"Susan McQuarrie"
Witness

"Gord McQuarrie"

Dated this 10 day of May, 2009

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Tom Atkinson"
Director, Enforcement Branch

Schedule "A"

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

AND

IN THE MATTER OF
GORD MCQUARRIE

ORDER
(Sections 37, 127(1), and 127.1)

WHEREAS on , the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended in respect of Gord McQuarrie ("McQuarrie");

AND WHEREAS McQuarrie entered into a Settlement Agreement with Staff of the Commission dated , 2009 (the "Settlement Agreement") in which McQuarrie agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from McQuarrie and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) pursuant to clause 2 of subsection 127(1), trading in any securities by McQuarrie cease for a period of 4 years from the date of this Order;

(b) pursuant to clause 2.1 of subsection 127(1), the acquisition of any securities by McQuarrie is prohibited for a period of 4 years from the date of this Order;

(c) pursuant to clause 3 of subsection 127(1), any exemptions contained in Ontario securities law do not apply to McQuarrie for a period of 4 years from the date of this Order;

(d) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;

(e) pursuant to clause 8.5 of subsection 127(1), McQuarrie shall be prohibited for a period of 4 years from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(f) pursuant to clause 9 of subsection 127(1), McQuarrie shall pay an administrative penalty of $500 for his failure to comply with Ontario securities law. The $500 administrative penalty shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay this sum in full on or before July 30, 2009;

(g) pursuant to clause 10 of subsection 127(1), McQuarrie shall disgorge to the Commission $2,500, being the amount obtained by him as a result of non-compliance with securities law. The $2,500 disgorged shall be for allocation to or for the benefit of third parties in accordance with s. 3.4(2) of the Act. McQuarrie is to pay $250 per month commencing on the 1st day of the June, 2009 and continuing each month thereafter until the $2,500 has been disgorged;

(h) pursuant to section 37, McQuarrie shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security; and,

(i) pursuant to section 127.1, McQuarrie shall pay $500 in respect of the costs of the investigation and the hearing incurred by or on behalf of the Commission within six months of the date of this Order.

DATED AT TORONTO this day of , 2009.

3.1.2 Rajeev Thakur

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

AND

IN THE MATTER OF
RAJEEV THAKUR

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to 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 approve this Settlement Agreement and to make certain orders in respect of Rajeev Thakur (the "Respondent").

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated January 9, 2009 (the "Proceeding") against the Respondent according to the terms and conditions set out in Part IV of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

PART III – AGREED FACTS

A. Overview

4. The Respondent is a resident of Ontario and is a former employee of Celestica Inc. ("Celestica"). Celestica is listed on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE").

5. Between January 28, 2003 and February 20, 2003, between April 21, 2004 and April 23, 2004, and between July 20, 2005 and July 22, 2005, the Respondent purchased and sold securities of Celestica (“the Trades”). At the time of the Trades, the Respondent was in a special relationship, as defined in s. 76(5)(c) of the Act, with Celestica and had knowledge of material information with respect to Celestica that had not been generally disclosed. In particular, the Respondent was aware of Celestica’s financial results before those results were generally disclosed which constituted insider contrary to section 76(1) of the Act.

B. Background

6. During the time that he made the Trades, the Respondent was a manager with Integrated Services and a Director of Outsourcing Strategies at Celestica. In 2002, the Respondent had completed 3 ½ years in a position as a Manager with Investor Relations at Celestica. During the time that he held this position, the Respondent was exposed to the subtleties of market response to earnings announcements.

C. Particulars

(a) *Celestica*

7. Celestica is a company that delivers electronic manufacturing services. It operates, globally, a highly sophisticated manufacturing network providing a broad range of services to leading Original Equipment Manufacturers. In 2005, it had revenue in excess of U.S. $8.4 billion. It is a reporting issuer in Ontario. As a reporting issuer, Celestica is obliged to provide periodic reporting of its financial results pursuant to the provisions of the Act.

(b) *Celestica's Disclosure of Financial Results and the Respondent's Trades*

8. On January 28, 2003, Celestica announced its Q4 2002 results. The earnings were weaker than expected and the economic outlook predicted by the company was soft.

9. As a result of the announcement, Celestica's share price fell by 22% from U.S. $14.74 to U.S. $11.50.

10. Between January 21, 2003 and January 24, 2003, the Respondent purchased 851 put options (representing 85,100 underlying shares) through AMEX facilities. On February 20, 2003, the Respondent exercised the options by purchasing 70,000 shares, by using 11,888 shares which he held and by shorting 3,212 shares (the sum of 70,000; 11,888; and 3,212 totals 85,100).

11. As a result of these trades, the Respondent earned a profit of approximately CDN $204,924.69.

12. After the close of trading on April 22, 2004, Celestica announced improved Q1 2004 financial results. As a result, the share price increased by 17.6% from U.S. $16.75 to U.S. $19.69 on the NYSE on a volume of over 9 million shares.

13. On April 21, 2004 and April 22, 2004, the Respondent purchased 65,900 shares of Celestica at CDN $22.25 to CDN $22.71 per share on the TSX. He did this in his brokerage account and his RRSP account. In his RRSP account, he liquidated his holdings, which had been, until that time, invested in the BMO Premium Money Market Fund for CDN $125,800, in two tranches, which sales settled on April 16 and April 21, 2004. On April 23, 2004, the day after Celestica's announcement, the Respondent sold the 65,900 shares at prices ranging from CDN $26.68 per share to CDN $27.05 per share.

14. As a result of these trades, the Respondent made a profit of approximately CDN $305,898, consisting of approximately CDN $280,000 in his brokerage account, and approximately CDN $23,898 in his RRSP account. In his RRSP account, he reinvested CDN $150,000 into the BMO Premium Money Market Fund, which settled on April 26, 2004.

15. After the close of trading on July 21, 2005, Celestica announced lower revenues and earnings for Q2, 2005 as compared to the same period in the prior year.

16. As a result of the announcement, Celestica's share price declined by 16%. On the NYSE, the price declined from U.S. $14.37 to U.S. $12.17.

17. On July 20, 2005 (the day before the announcement) and July 21, 2005 (the day of the announcement), the Respondent shorted 45,000 shares. He covered his position on July 22, 2005 (the day after the announcement). As a result of his trades, Thakur earned a profit of approximately CDN $131,233.60.

18. As a result of the Trades, the Respondent made a profit of approximately CDN $642,056.29.

(c) *Discussion of Material Non-Public Information by Celestica Executives*

19. In advance of Celestica's financial results, Celestica's senior executives discussed the impending financial results in e-mail communications. Celestica senior management also prepared draft conference call scripts days prior to the announcements in which the impending earnings announcements were discussed. Anyone reading these scripts would be able to determine whether there was a positive or negative earnings announcement pending.

(d) *The Respondent's Unauthorized Access to Non-public Material Information*

20. At the time that the Respondent made the Trades, he had unauthorized access to the e-mail of all members of Celestica including senior management. During the course of Staff's investigation, it was determined by IT personnel at Celestica that the Respondent had the means to gain unauthorized access to the e-mail accounts of all members of Celestica including the legal department and management. Staff's investigation also revealed that the Respondent had used his unauthorized access to e-mail. IT personnel at Celestica found that the Respondent had downloaded a number of e-mails and electronic files of senior management onto his computer. There were only two persons at Celestica who had the capacity to offer such access to the Respondent: one of them was the Respondent's sister who also worked at Celestica in the capacity of a Technology Infrastructure Analyst.

21. During the course of Staff's investigation, it was discovered by IT personnel at Celestica that the Respondent's sister had sent the Respondent an e-mail containing the unauthorized access protocol. This access was made available to the Respondent during 2001, and updates in the access protocol, as well as the codes necessary to use the protocol, were made available at subsequent times.

22. Prior to making the Trades, the Respondent accessed e-mail communications among Celestica's senior management and acquired non-public material information concerning Celestica's impending earnings announcements. As a result, the Respondent, who was in a special relationship with Celestica, purchased and sold securities of Celestica whilst possessed of knowledge of material information that had not been generally disclosed.

PART IV - TERMS OF SETTLEMENT

23. The Respondent agrees to the terms of settlement listed below.

24. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:

(a) the settlement agreement is approved;

(b) trading in any securities by the Respondent cease permanently from the date of the approval of the Settlement Agreement, except that the Respondent is permitted to trade only in mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and trade only in mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

(c) acquisition of any securities by the Respondent is prohibited permanently from the date of the approval of the Settlement Agreement, except that the Respondent is permitted to acquire mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and to acquire mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

(d) Notwithstanding paragraphs (b) and (c) above, the Respondent shall have 60 days from the date of this Order to effect liquidating trades of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control. The Respondent shall provide a record of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control to Staff and will provide evidence to Staff that he has liquidated all non-mutual fund securities that he owns beneficially or over which he exercises discretion or control within 60 days from the date of this Order;

(e) Any exemptions contained in Ontario securities law do not apply to the Respondent permanently except that he is permitted to trade or acquire mutual funds through a registered dealer as specified in paragraphs (b) and (c) above;

(f) The Respondent is to be reprimanded;

(g) The Respondent shall resign any positions that the Respondent holds as a director or officer of any issuer;

(h) The Respondent is prohibited permanently from becoming or acting as a director or officer of any registrant or issuer;

(i) The Respondent disgorge to the Commission the amount of $642,056.29, being the amount of the profit made by the Respondent by the Trades, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

(j) The Respondent agrees to pay an administrative penalty to the Commission the amount of $481,542.22 to be allocated under s. 3.4(2)(b) of the Act for the benefit of third parties; and,

(k) The Respondent agrees to pay costs in the amount of $25,000 to the Commission.

25. The Respondent agrees to personally satisfy any payments ordered when the Commission approves this Settlement Agreement. The Respondent will not be reimbursed for, or receive a contribution toward, these payments from any other person or company.

26. The Respondent undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraph 23 (a) to (h) above.

PART V - STAFF COMMITMENT

27. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 28 below.

28. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VI - PROCEDURE FOR APPROVAL OF SETTLEMENT

29. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for May 15, 2009, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

30. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

31. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

32. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

33. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement 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 VII - DISCLOSURE OF SETTLEMENT AGREEMENT

34. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

(i) this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and

(ii) Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

35. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART VIII - EXECUTION OF SETTLEMENT AGREEMENT

36. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

37. A fax copy of any signature will be treated as an original signature.

Dated this 15th day of May, 2009.

“R. THAKUR”
Respondent

“SETH WEINSTEIN”
Witness

“TOM ATKINSON”
Director, Enforcement Branch

SCHEDULE "A"

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

AND

IN THE MATTER OF
RAJEEV THAKUR

ORDER
(Sections 127 and 127.1)

WHEREAS on January 9, 2009, the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), accompanied by Staff's Statement of Allegations, in relation to the Respondent, Rajeev Thakur ("Thakur");

AND WHEREAS Thakur entered into a settlement agreement dated May 15, 2009 (the "Settlement Agreement") in which he agreed to a settlement of the proceeding commenced by the Notice of Hearing dated January 9, 2009, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and Staff's Statement of Allegations, and upon hearing submissions from counsel for Staff and the Respondent;

AND WHEREAS the Respondent acknowledges that the facts set out in Part III of the Settlement Agreement constituted insider trading contrary to section 76(1) of the Act;

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 between Thakur and Staff of the Commission is approved;

2. pursuant to paragraph 127(2) of the Act, trading in any securities by Thakur cease permanently from the date of the approval of the Settlement Agreement, except that he is permitted to trade only in mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and trade only in mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

3. pursuant to paragraph 127(2.1) of the Act, acquisition of any securities by Thakur is prohibited permanently from the date of the approval of the Settlement Agreement, except that he is permitted to acquire mutual fund securities in one account on his own behalf through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account and to acquire mutual fund securities in one account on behalf of his registered retirement savings plan through a registered dealer to whom he must provide a copy of the Order made by the Commission at the time he opens or modifies this account;

4. Notwithstanding paragraphs (2) and (3) above, Thakur shall have 60 days from the date of this Order to effect liquidating trades of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control. Thakur shall provide a record of any non-mutual fund securities that he owns beneficially or over which he exercises direction or control to Staff and will provide evidence to Staff that he has liquidated all non-mutual fund securities that he owns beneficially or over which he exercises discretion or control within 60 days from the date of this Order;

5. pursuant to paragraph 127(3) of the Act, any exemptions contained in Ontario securities law do not apply to Thakur permanently except that he is permitted to trade or acquire mutual funds through a registered dealer as specified in paragraphs (2) and (3) above;

6. pursuant to paragraph 127(6) of the Act, Thakur is reprimanded;

7. pursuant to paragraph 127(7) of the Act, Thakur shall resign any positions that he holds as a director or officer of any issuer;

8. pursuant to paragraph 127(8) of the Act, Thakur is prohibited permanently from becoming or acting as a director or officer of any registrant or issuer;

9. pursuant to paragraph 127(10) of the Act, Thakur shall disgorge to the Commission the amount of $642,056.29, being the amount of the profit made by him to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties;

10. pursuant to paragraph 127(9) of the Act, Thakur shall pay an administrative penalty to the Commission in the amount of $481,542.22, to be allocated under s. 3.4(2)(b) of the Act to or for the benefit of third parties; and

11. pursuant to section 127.1 of the Act, Thakur agrees to pay costs in the amount of $25,000 to the Commission.

DATED at Toronto this 15th day of May, 2009.

3.1.3 Shallow Oil & Gas et al.

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

AND

IN THE MATTER OF
SHALLOW OIL & GAS INC., ERIC O'BRIEN,
ABEL DA SILVA, GURDIP SINGH GAHUNIA
also known as MICHAEL GAHUNIA,
ABRAHAM HERBERT GROSSMAN
also known as ALLEN GROSSMAN,
MARCO DIADAMO, GORD McQUARRIE,
KEVIN WASH, and WILLIAM MANKOFSKY

AND

IN THE MATTER OF
GORD McQUARRIE

REASONS AND DECISION ON SETTLEMENT

Hearing:	May 12, 2009	
Decision:	May 19, 2009	
Panel:	Wendell S. Wigle, QC	-Commissioner and Chair of the Panel
	Suresh Thakrar, FICB	-Commissioner
Appearances:	Matthew Boswell	-For the Ontario Securities Commission
	Gord McQuarrie	-Self-represented

REASONS AND DECISION ON SETTLEMENT

[1] This proceeding arises out of a Notice of Hearing issued on June 11, 2008 in relation to the Statement of Allegations issued by Staff of the Ontario Securities Commission ("Staff") on June 10, 2008. Staff alleges that Gord McQuarrie ("McQuarrie") and others contravened the *Securities Act* , R.S.O. 1990, c. S.5, as amended (the "Act") and acted contrary to the public interest in relation to the illegal trading and distribution of securities of Shallow Oil & Gas Inc. ("Shallow Oil"), the corporate respondent, between September 24, 2007 and February 27, 2008.

[2] On April 21, 2009, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing giving notice that the Commission would be asked to consider whether it is in the public interest to approve a settlement agreement entered into between Staff of the Commission and the respondent McQuarrie on May 10, 2009 (the "Settlement Agreement").

[3] This is not a hearing on the merits with respect to Staff's allegations against McQuarrie. It is not our role to look behind the terms of the Settlement Agreement, or to set it aside and impose the sanctions we might have considered imposing after a hearing on the merits. Our role in this settlement approval hearing is to determine whether the agreed sanctions are within acceptable parameters and consistent with the Commission's public interest mandate (*Re Sohan Singh Koonar et al*. (2002), 25 O.S.C.B. 2691 at 2692).

[4] In keeping with the Commission's practice in settlement approval hearings, we have heard oral submissions from Staff and McQuarrie this afternoon *in camera*, pursuant to paragraph 9(1)(b) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S. 22, as amended, in order to ensure that if we cannot approve the Settlement Agreement, Staff and McQuarrie are free to continue discussing the matter without fear that any hearing on the merits will be prejudiced by submissions made in an open hearing for purposes of settlement approval.

[5] As we have concluded that the Settlement Agreement is within acceptable parameters and consistent with our mandate of protecting investors from unfair, improper or fraudulent practices and fostering fair and efficient capital markets and

confidence in the capital markets, we find that the public interest will be served by our approving the Settlement Agreement, and we do approve it.

[6] The Settlement Agreement is based on certain facts agreed to by Staff and McQuarrie for the purpose of the settlement. The Agreed Facts are set out at paragraphs 4 to 34 of the Settlement Agreement, which include the following:

> McQuarrie contacted investors or potential investors by telephone and used the alias Gord Sinclair when speaking with investors or potential investors on the telephone.
>
> McQuarrie was initially a qualifier at Shallow Oil, however, not long after he started Grossman promoted him to the job of a salesperson of Shallow Oil securities.
>
> . . . .
>
> McQuarrie advised potential investors and investors, with the intention of effecting trades, that Shallow Oil was about to be listed on a stock exchange . . .
>
> (Settlement Agreement, paras. 23, 24 and 27).

[7] McQuarrie admits and acknowledges that by engaging in the conduct described in the Agreed Facts, he contravened Ontario securities law by:

a. trading in Shallow Oil securities without being registered by the Commission to trade in securities, contrary to subsection 25(1)(a) of the Act;

b. trading in Shallow Oil securities in circumstances where the trading constituted a distribution and where no preliminary prospectus and prospectus had been filed and receipts issued by the Director, contrary to subsection 53(1) of the Act; and

c. making prohibited representations, with the intention of effecting a trade in Shallow Oil, that securities of Shallow Oil would be listed on a stock exchange, contrary to subsection 38(2) of the Act.

[8] McQuarrie admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law in the three ways just described.

[9] The principles that guide the Commission in exercising its public interest jurisdiction are well established.

[10] As the Commission stated in *Re Mithras Management*:

> The role of the Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.
>
> *Re Mithras Management* (1990), 13 O.S.C.B. 1600, at pp. 1610-1611

[11] Appropriate sanctions should be proportionate to the specific circumstances of each case. The factors to be considered in determining appropriate sanctions include:

a. the seriousness of the allegations proved;

b. the respondent's experience in the marketplace;

c. the level of a respondent's activity in the marketplace;

d. whether or not there has been a recognition of the seriousness of the improprieties; and

e. whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets.

Re Belteco Holdings Inc. (1998), 21 O.S.C.B. 7743, at para. 25
Re M.C.J.C. Holdings and Michael Cowpland (2003), 26 O.S.C.B. 1106, at para. 55

[12] In this case, we considered the following factors in determining that the sanctions agreed to in the Settlement Agreement are in the public interest.

[13] McQuarrie admits that he engaged in conduct that was contrary to sections 25, 53 and 38 of the Act and contrary to the public interest. By entering into the Settlement, he recognized the seriousness of his misconduct.

[14] Further, we find that McQuarrie should have known, from his involvement in the capital markets for over 20 years, that he could not trade in securities without being registered with the Commission. The Commission has recognized the importance of ensuring that market participants meet the minimum registration, qualification and conduct requirements of the Act (*Re Momentas Corp*. (2006), 29 O.S.C.B. 3170, at para. 46).

[15] On the other hand, we note McQuarrie's prior record of involvement in the capital markets without any alleged violations.

[16] Moreover, Staff did not allege that McQuarrie was a directing mind or had any principal role in the Shallow Oil operation. He was a salesperson. According to the Agreed Facts, he was involved in 8 trades between November 26, 2007 and January 14, 2008, and 6 of the 8 sales or attempted sales in which he was involved were for $1,000. Of the two other trades, one investor invested $25,000, and another invested 5,000, though the Agreed Facts state, in relation to the latter trade: "McQuarrie did not receive any commission payment for this sale and does not recall making the trade. Shallow Oil documents list McQuarrie as the salesperson on this trade." (Settlement Agreement, para. 30, footnote) According to the Agreed Facts, McQuarrie received $2,500 in commissions as a result of his involvement in sales of Shallow Oil securities.

[17] According to the Agreed Facts, Allen Grossman (one of the other respondents in the Shallow Oil matter) told McQuarrie in the job interview that Shallow Oil was fully licensed by the Commission and licensed to sell shares, and that Kevin Wash (another respondent in the Shallow Oil matter) told McQuarrie at the beginning of his employment that the people involved with Shallow Oil were also involved in "bringing out" Amerigo. McQuarrie looked up Amerigo on the internet and discovered it was listed on the TSX. This also led him to believe Shallow Oil was legitimate. (Settlement Agreement, paras. 21-22) However, we note that the Agreed Facts do not reflect that McQuarrie took any independent steps to ensure that his conduct did not contravene the *Securities Act*.

[18] We place significant weight on McQuarrie's admissions and his acknowledgment that his conduct contravened the *Securities Act* and was contrary to the public interest. We note, as well, that he attended at the Commission for a voluntary interview and co-operated with Staff. By entering into this Settlement Agreement, McQuarrie has saved the Commission the cost of a hearing on the merits and sanctions hearing with respect to Staff's allegations against him.

[19] We find that the proposed sanctions will serve as a general deterrent by signalling to like-minded people that the misconduct at issue will not be countenanced by the Commission.

[20] Specifically, we note that McQuarrie will be ordered to disgorge the entire amount of the commissions he received for selling Shallow Oil securities – $2,500 – pursuant to paragraph 10 of subsection 127(1) of the Act.

[21] The administrative penalty of $500 pursuant to paragraph 9 of subsection 127(1), and the costs order of $500, pursuant to subsection 127(1), are within acceptable parameters, considering McQuarrie's limited involvement, his admission of wrongdoing and his willingness to co-operate with the Commission.

[22] Given McQuarrie's history of using the telephone for illegal trading and distribution, including prohibited representations, it is appropriate, in our view, that he be permanently prohibited from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or class of securities, pursuant to paragraph 37(1)(b) of the Act.

[23] The agreed order also includes, pursuant to subsection 127(1) of the Act, a 4-year ban on McQuarrie (i) trading in any securities (paragraph 1 of subsection 127(1)); (ii) acquiring any securities (paragraph 2.1 of subsection 127(1)); (iii) becoming or acting as a director or officer of any issuer, registrant, or investment fund manager (paragraphs 8, 8.2 and 8.4 of subsection 127(1)); or (iv) becoming or acting as a registrant, as an investment fund manager or as a promoter (paragraph 8.5 of subsection 127(1)), and states that any exemptions in Ontario securities law do not apply to McQuarrie for 4 years (paragraph 3 of subsection 127(1)). We accept the parties' joint submission that a 4-year ban, rather than a permanent ban, is appropriate.

[24] The Settlement Agreement is approved.

DATED in Toronto this 19th day of May 2009.

Wendell S. Wigle, QC

Suresh Thakrar, FICB

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
Genesis Land Development Corp.	14 Apr 09	27 Apr 09	27 Apr 09	14 May 09
Southeast Asia Mining Corp.	04 May 09	15 May 09	15 May 09	
International Road Dynamics Inc.	06 Mar 09	18 Mar 09	18 Mar 09	14 May 09
Dynasty Gaming Inc.	06 May 09	19 May 09	19 May 09	
Zoloto Resources Ltd.	06 May 09	19 May 09	19 May 09	
Terminal City Capital Inc.	06 May 09	19 May 09	19 May 09	
Alpha Group Industries Inc.	06 May 09	19 May 09	19 May 09	
Empirical Inc.	07 May 09	19 May 09	19 May 09	
Talware Networx Inc.	07 May 09	19 May 09	19 May 09	
YSV Ventures Inc.	07 May 09	19 May 09	19 May 09	
Shelton Canada Corp.	07 May 09	19 May 09	19 May 09	
Lakota Resources Inc.	07 May 09	19 May 09	19 May 09	
FMX Ventures Inc.	07 May 09	19 May 09		21 May 09
Cabot Creek Mineral Corporation	07 May 09	19 May 09	19 May 09	
Brighter Minds Media Inc.	08 May 09	20 May 09	20 May 09	
Even Technologies Inc.	14 May 09	26 May 09		
Devine Entertainment Corporation	14 May 09	26 May 09		
GBS Gold International Inc.	15 May 09	27 May 09		
Tele-Find Technologies Corp.	19 May 09	01 June 09		

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
Wedge Energy International Inc.	04 May 09	15 May 09	15 May 09		
In-Touch Surveys Systems Ltd.	04 May 09	15 May 09	15 May 09		
Viking Gold Exploration Inc.	04 May 09	15 May 09		18 May 09	
Dia Bras Exploration Inc.	04 May 09	15 May 09		18 May 09	

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Global Development Resources, Inc	07 May 09	19 May 09		21 May 09	
Airesurf Networks Holdings Inc.	07 May 09	19 May 09	19 May 09		
Newlook Industries Corp.	07 May 09	19 May 09	19 May 09		
Archangel Diamond Corporation	08 May 09	20 May 09	20 May 09		

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
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		
Outlook Resources Inc.	31 Mar 09	13 Apr 09	13 Apr 09		
Synergex Corporation	02 Apr 09	14 Apr 09	14 Apr 09		
Goldstake Explorations Inc.	08 Apr 09	20 Apr 09	20 Apr 09		
In-Touch Surveys Systems Ltd.	04 May 09	15 May 09	15 May 09		
Wedge Energy International Inc.	04 May 09	15 May 09	15 May 09		
Viking Gold Exploration Inc.	04 May 09	15 May 09		18 May 09	
Dia Bras Exploration Inc.	04 May 09	15 May 09		18 May 09	
Global Development Resources, Inc	07 May 09	19 May 09		21 May 09	
Airesurf Networks Holdings Inc.	07 May 09	19 May 09	19 May 09		
Newlook Industries Corp.	07 May 09	19 May 09	19 May 09		
Archangel Diamond Corporation	08 May 09	20 May 09	20 May 09		
First Metals Inc.	13 May 09	25 May 09			

Chapter 6

Request for Comments

6.1.1 Notice and Request for Comment - Securities Act Amendments and Consequential Amendments to National Instrument 45-106 Prospectus and Registration Exemptions, National Instrument 45-102 Resale of Securities, and OSC Rule 45-501 Ontario Prospectus and Registration Exemptions

SECURITIES ACT AMENDMENTS AND CONSEQUENTIAL AMENDMENTS TO NATIONAL INSTRUMENT 45-106 *PROSPECTUS AND REGISTRATION EXEMPTIONS*, NATIONAL INSTRUMENT 45-102 *RESALE OF SECURITIES*, AND OSC RULE 45-501 *ONTARIO PROSPECTUS AND REGISTRATION EXEMPTIONS*

1. Introduction

The Ontario Securities Commission (the **OSC** or **Commission**) is publishing for a 30-day comment period changes (the **Proposed Modifications**) to proposed National Instrument amendments and Ontario rule amendments that were originally published for comment on February 29, 2008 (the **Proposed Rule Amendments**).

The Proposed Rule Amendments affect prospectus and registration exemptions, and resale provisions for securities distributed under the prospectus exemptions. The Proposed Rule Amendments are related to proposed National Instrument 31-103 *Registration Requirements* (**NI 31-103**) and the Canadian Securities Administrators' (the **CSA**) registration reform initiative.

On March 26, 2009, the Government of Ontario introduced Bill 162 *An Act respecting the budget measures and other matters* (**Bill 162**), which includes amendments (the **Proposed OSA Amendments**) to the *Securities Act* (Ontario) (the **OSA**). Schedule 26 to Bill 162 sets out the Proposed OSA Amendments, which amend statutory provisions in the following areas:

- registration requirements for dealers, advisers and others,
- exemptions from the registration requirements,
- exemptions from the prospectus requirement, and
- resale of securities previously distributed under an exemption from the prospectus requirement.

As a result of the Proposed OSA Amendments, the OSC is publishing for comment the Proposed Modifications. This notice describes the Proposed Modifications.

The Proposed Modifications will be considered for adoption by the Commission only if Bill 162 is passed by the Legislative Assembly of Ontario and receives Royal Assent.

The text of the Proposed Modifications is found in Appendix A to this notice. A table of concordance between the Proposed Modifications and the Proposed OSA Amendments is found in Appendix B to this notice.

2. Background

(a) *The Proposed Rule Amendments*

On February 29, 2008, the CSA published for comment:

- the proposed repeal and replacement of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**), the related forms and Companion Policy, and

- proposed amendments to National Instrument 45-102 *Resale of Securities* (**NI 45-102**), the related form and Companion Policy.

The OSC also published for comment the proposed repeal and replacement of OSC Rule 45-501 *Ontario Prospectus and Registration Exemptions* (**Rule 45-501**), the related form and Companion Policy.

The notices accompanying the Proposed Rule Amendments indicated that the Government of Ontario was considering possible amendments to the OSA. It also stated that these possible OSA amendments could affect the Proposed Rule Amendments, which could result in the OSC having to publish a modified rule proposal in Ontario.

(b) ***Bill 162 and the Proposed OSA Amendments***

On March 26, 2009, the Government of Ontario introduced Bill 162. Bill 162 contains certain amendments to the OSA which are necessary to implement NI 31-103 or to reflect substantive policy changes contained in NI 31-103.

If the relevant provisions of Bill 162 are passed and put into effect, the present registration and prospectus exemptions in the OSA will be replaced with a shorter list of statutory exemptions. The prospectus and registration exemptions that the Government of Ontario intends to maintain or include in the OSA relate to:

- securities subject to other provincial or federal regulatory regimes such as mortgages, securities evidencing indebtedness secured by or under a security agreement provided under personal property security legislation, and financial intermediaries and Schedule III banks,

- securities that Ontario Ministry of Finance (**MoF**) staff have advised are subject to securities regulatory considerations as well as broader public policy considerations such as specified debt, including government debt, and

- securities that MoF staff have advised relate to key government policy priorities such as school board debt, tax incentive securities and venture capital raising.

Some of the Proposed OSA Amendments relating to registration and prospectus exemptions, if enacted and proclaimed, will eliminate the need to include certain provisions in the Proposed Rule Amendments.

3. Explanation of the Proposed Modifications

The following is a summary of the Proposed Modifications:

(a) ***Proposed NI 45-106***

The following prospectus and registration exemptions in proposed NI 45-106 are modified:

- specified debt (proposed sections 2.34 and 3.34),
- mortgages (proposed sections 2.36 and 3.36),
- securities evidencing indebtedness secured by or under a security agreement provided under personal property security legislation (proposed sections 2.37 and 3.37), and
- evidences of deposit issued by a Schedule III bank or an association governed by the *Cooperative Credit Associations Act* (Canada) (proposed sections 2.41 and 3.41).

These changes reflect provisions in the Proposed OSA Amendments that would supersede the corresponding provisions in proposed NI 45-106, in whole or in part, in Ontario.

(b) ***Proposed NI 45-102***

References to resale provisions in section 72 of the OSA found in Appendix C to proposed NI 45-102 are modified to reflect proposed amendments to section 72 and new section 73.7 found in sections 11 and 13 of Schedule 26 to Bill 162.

(c) ***Proposed Rule 45-501***

The prospectus and registration exemptions for school board debt (proposed sections 2.7 and 3.7) are deleted to reflect provisions in the Proposed OSA Amendments, which supersede these exemptions in Ontario. The relevant Proposed OSA Amendments are found in subsection 12(1) and section 5 of Schedule 26 to Bill 162.

Proposed section 4.1 provides a registration exemption for certain trades by a financial intermediary or Schedule III bank. This section is modified so that registration exemptions for trades by financial institutions under proposed subsection 35.1(1) of the OSA (set out in section 5 of Schedule 26 to Bill 162) apply rather than the registration exemption under section 4.1.

Proposed section 4.2 provides an adviser registration exemption for certain financial intermediaries and Schedule III banks. This section is deleted. A similar adviser registration exemption for these entities is provided under proposed section 35.1 of the OSA (also set out in section 5 of Schedule 26 to Bill 162).

Proposed section 5.1 removes several registration and prospectus exemptions referenced in section 34, subsections 35(1) and (2), subsection 72(1) and clauses 73(1)(a), (b) and (c) of the OSA. Proposed section 5.1 is deleted in light of the Proposed OSA Amendments amending the referenced OSA provisions (set out in sections 5, 11 and 12 of Schedule 26 to Bill 162).

4. Phased implementation of Proposed OSA Amendments[1]

The Commission is advised that, if the Proposed OSA Amendments are passed by the Legislative Assembly of Ontario, MoF staff plan to seek proclamation of the Proposed OSA Amendments in two stages.

(a) *Stage 1 OSA Prospectus Exemption Amendments*

The Proposed Modifications only reflect the first set of the proposed prospectus exemption amendments (the **Stage 1 OSA Prospectus Exemption Amendments**) and related provisions. The Stage 1 OSA Prospectus Exemption Amendments contemplate that the statutory registration exemptions enacted upon the introduction of the registration regime contained in proposed NI 31-103 would be paralleled by statutory prospectus exemptions. Specifically, the Stage 1 OSA Prospectus Exemption Amendments include prospectus exemptions where the corresponding registration exemption would be in the OSA. They would maintain the substance of these exemptions when registration reform is introduced.

The Stage 1 OSA Prospectus Exemption Amendments are found in subsection 12(1) of Schedule 26 to Bill 162 and relate to section 73 of the OSA. Related provisions are found in sections 11 and 13 of Schedule 26 to Bill 162, and deal with section 72 and new section 73.7 of the OSA. Additional changes to the rule-making and regulation-making provisions in subsections 143(1), (2) and (9) of the OSA would be made by subsections 20(1) to (16) and 20(18) of Schedule 26 to Bill 162.

The Stage 1 OSA Prospectus Exemption Amendments are transitional. Subject to proclamation by the Lieutenant Governor in Council, it is intended that the Stage 1 OSA Prospectus Exemption Amendments (and related provisions), as well as the registration provisions of the Proposed OSA Amendments, would come into force on the same date as proposed NI 31-103. The target proclamation date that MoF staff plan to seek is currently expected to be near the end of September 2009.

(b) *Stage 2 OSA Prospectus Exemption Amendments*

MoF staff have advised the Commission that the remaining OSA prospectus exemption amendments in Bill 162 (the **Stage 2 OSA Prospectus Exemption Amendments**) are not intended to come into force on the same date as NI 31-103. They are intended to replace the prospectus exemptions enacted in Stage 1.

The Stage 2 OSA Prospectus Exemption Amendments include the same prospectus exemptions that were in Stage 1. In addition, they would add a limited number of prospectus exemptions to the OSA that would supersede the corresponding prospectus exemptions, or elements of them, that are now found in NI 45-106 and Rule 45-501. If the Stage 2 OSA Prospectus Exemption Amendments are enacted, the Commission will publish for comment at a later date new versions of NI 45-106 and Rule 45-501 which will reflect these amendments.

MoF staff have advised the Commission that, although the Stage 2 OSA Prospectus Exemption Amendments have been included in Bill 162, it is anticipated that proclamation will be sought for a later date than the rest of Bill 162. This later proclamation date is intended to allow additional time for consultation on the further rule changes that would be required for the OSC's rules to work effectively in conjunction with the Stage 2 OSA Prospectus Exemption Amendments. MoF staff also have advised the Commission that the Government of Ontario intends to work with the OSC so that the implementation of these changes in NI 45-106, Rule 45-501 and the OSA are coordinated and there is a smooth transition for market participants.

The Stage 2 OSA Prospectus Exemption Amendments are found at subsection 12(2) of Schedule 26 to Bill 162 and related regulation-making powers are found at subsection 20(17) of that Schedule.

5. Timing

It is currently contemplated that the OSC will be asked in July to approve a final version of the Proposed Rule Amendments. It is expected that these final versions would include the Proposed Modifications, as well as non-material updates to the Proposed Rule Amendments. However, the Proposed Modifications will be included in the final versions for which Commission approval is sought only if Royal Assent has been given to Bill 162.

[1] This discussion does not apply to the Proposed OSA Amendment affecting evidences of deposit issued by a Schedule III bank or an association governed by the *Cooperative Credit Associations Act* (Canada). This Proposed OSA Amendment would become effective if Bill 162 is passed by the Legislative Assembly of Ontario.

6. Comments

If you have comments on the Proposed OSA Amendments, please contact the Government of Ontario directly:

Colin Nickerson,
Senior Manager, Industrial and Financial Policy Branch, Ministry of Finance
95 Grosvenor Street, 4th Floor
Toronto, Ontario
M7A 1Z1
Fax: (416) 325-1187
Email: Colin.Nickerson@ontario.ca

The Proposed OSA Amendments can be found at http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=2166.

If you have comments on the Proposed Modifications, please address them to the Commission on or before June 22, 2009:

John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
19th Floor, Box 55
Toronto, Ontario
M5H 3S8
Fax: (416) 593-2318
Email: jstevenson@osc.gov.on.ca

Comments received by the Commission will be made publicly available and posted at **www.osc.gov.on.ca**.

The Commission will consider comments received on the Proposed Modifications in conjunction with the comments received in response to the Proposed Rule Amendments published on February 29, 2008.

7. Questions

Please refer any questions regarding this notice to:

Jo-Anne Matear
Assistant Manager, Corporate Finance
Ontario Securities Commission
(416) 593-2323
jmatear@osc.gov.on.ca

Winnie Sanjoto
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-8119
wsanjoto@osc.gov.on.ca

Robert F. Kohl
Senior Legal Counsel, Compliance and Registrant Regulation
Ontario Securities Commission
(416) 593-8233
rkohl@osc.gov.on.ca

May 22, 2009

APPENDIX A
PROPOSED MODIFICATIONS

The following are the Proposed Modifications to the Proposed Rule Amendments, published for comment on February 29, 2008. The Proposed Modifications will be included in the final version of the Proposed Rule Amendments if certain Proposed OSA Amendments are enacted and proclaimed. For more information, please refer to the accompanying notice and Appendix B.

Text boxes in this Appendix A will not form part of the instruments.

1. Amendments to Proposed NI 45-106

(a) Specified debt

(i) ***Proposed subsection 2.34(2) is deleted and the following substituted:***

2.34(2) The prospectus requirement does not apply to a distribution of

(a) a debt security of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada,

(b) a debt security of or guaranteed by a government of a foreign jurisdiction if the debt security has an approved credit rating from an approved credit rating organization,

(c) a debt security of or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated,

(d) a debt security of or guaranteed by a Canadian financial institution or a Schedule III bank, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,

(d.1) in Ontario, a debt security of or guaranteed by a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of a jurisdiction of Canada other than Ontario to carry on business in a jurisdiction of Canada, other than debt securities that are subordinate in right of payment to deposits held by the issuer or guarantor of those debt securities,

(e) a debt security of the Comité de gestion de la taxe scolaire de l'île de Montréal, or

(f) a debt security of or guaranteed by a permitted supranational agency if the debt securities are payable in the currency of Canada or the United States of America.

(3) Paragraphs (2)(a), (c) and (d) do not apply in Ontario.

Note: In Ontario, proposed paragraph 73(1)(a) of the *Securities Act* (Ontario) would provide similar exemptions.

(ii) ***The following is added after proposed subsection 3.34(2)***

(3) Paragraphs (2)(a) and (c) do not apply in Ontario.

Note: In Ontario, proposed paragraphs 35(1)1 and 35(1)2 of the *Securities Act* (Ontario) would provide similar exemptions.

(b) Mortgages

(i) ***Proposed subsection 2.36(2) is deleted and the following substituted:***

2.36(2) Except in Ontario, and subject to subsection (3), the prospectus requirement does not apply to a distribution of a mortgage on real property in a jurisdiction by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.

Note: In Ontario, proposed paragraph 73(1)(a) of the *Securities Act* (Ontario) would provide a similar exemption.

(ii) ***Proposed subsection 3.36(2) is deleted and the following substituted:***

3.36(2) Except in Ontario, and subject to subsection (3), the dealer registration requirement does not apply in respect of a trade in a mortgage on real property in a jurisdiction by a person who is registered or licensed, or exempted from registration or licensing, under mortgage brokerage or mortgage dealer legislation of that jurisdiction.

Note: In Ontario, proposed subsection 35(4) of the *Securities Act* (Ontario) would provide a similar exemption.

(c) Personal property security legislation

(i) ***Proposed section 2.37 is deleted and the following substituted:***

2.37 Except in Ontario, the prospectus requirement does not apply to a distribution of a security evidencing indebtedness secured by or under a security agreement provided for under personal property security legislation of a jurisdiction providing for the granting of security in personal property if the security is not offered for sale to an individual.

Note: In Ontario, proposed paragraph 73(1)(a) of the *Securities Act* (Ontario) would provide a similar exemption.

(ii) ***Proposed section 3.37 is deleted and the following substituted:***

3.37 Except in Ontario, the dealer registration requirement does not apply in respect of a trade in a security evidencing indebtedness secured by or under a security agreement provided for under personal property security legislation of a jurisdiction providing for the granting of security in personal property if the security is not offered for sale to an individual.

Note: In Ontario, proposed subsection 35(2) of the *Securities Act* (Ontario) would provide a similar exemption.

(d) Schedule III banks and cooperative associations – evidence of deposit

(i) ***Proposed section 2.41 is deleted and the following substituted:***

2.41 Except in Ontario, the prospectus requirement does not apply to a distribution of an evidence of deposit issued by a Schedule III bank or an association governed by the *Cooperative Credit Associations Act* (Canada).

(ii) ***Proposed section 3.41 is deleted and the following substituted:***

3.41 Except in Ontario, the dealer registration requirement does not apply in respect of a trade in an evidence of deposit issued by a Schedule III bank or an association governed by the *Cooperative Credit Associations Act* (Canada).

Note: In Ontario, proposed clause (e) of the definition of "security" in subsection 1(1) of the *Securities Act* (Ontario) would exclude these evidences of deposit from the definition of "security".

2. Amendments to Proposed NI 45-102

6.1 Appendix C is amended by deleting the following text:

Ontario	Subsections 72(4), 72(5), 72(6) as it relates to clause 72(1)(r), and 72(7) of the *Securities Act* (Ontario)

and substituting the following:

Ontario	Subsections 72(4), 72(5), 72(6) as it relates to clause 72(1)(r), and 72(7) of the *Securities Act* (Ontario), in each case prior to section 11 of Schedule 26 of the *Budget Measures Act, 2009* being proclaimed in force.

3. Amendments to Proposed Rule 45-501

(a) School board debt

(i) ***Proposed section 2.7 is deleted in its entirety.***

(ii) ***Proposed section 3.7 is deleted in its entirety.***

(b) Registration Exemptions for Financial Intermediaries and Schedule III Banks

(i) ***Proposed subsection 4.1(1) is amended by deleting the text in subsection (1) before clause (a) and substituting the following***:

(1) Subject to subsections (2), (3) and (4), the registration requirement does not apply to a trade by a financial intermediary or a Schedule III bank.

(ii) ***The following is added after proposed subsection 4.1(3):***

(4) Subsection 4.1(1) does not apply to a trade by a financial institution referred to in subsection 35.1(1) of the *Securities Act* in the circumstances to which that subsection applies.

(iii) ***Proposed section 4.2 is deleted in its entirety.***

(c) Removal of Exemptions

(i) ***Proposed section 5.1 is deleted in its entirety.***

APPENDIX B
TABLE OF CONCORDANCE

The following table summarizes how the prospectus and registration exemptions in proposed NI 45-106 and proposed Rule 45-501 would be changed if the Proposed OSA Amendments were to come into force.

The left column lists the provisions in NI 45-106 that would not apply in Ontario or the provisions in Rule 45-501 that would be repealed. The right column lists the corresponding provisions of the OSA or other instruments that would apply in Ontario.

Provisions in proposed NI 45-106 that would not apply in Ontario or provisions in proposed Rule 45-501 that would be repealed	**Corresponding provision of the OSA and other instruments that would apply in Ontario**
Proposed NI 45-106 – prospectus exemptions	
s. 2.34(2)(a) of NI 45-106 [*Specified debt – debt security of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada*]	Proposed s. 73(1)(a) of the OSA
s. 2.34(2)(c) of NI 45-106 [*Specified debt – debt security of or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated*]	Proposed s. 73(1)(a) of the OSA
s. 2.34(2)(d) of NI 45-106 [*Specified debt - debt security of or guaranteed by a Canadian financial institution or a Schedule III bank*]	Proposed s. 73(1)(b) of the OSA Proposed s. 2.34(2)(d.1) of NI 45-106 (as set out in Appendix A)
s. 2.36(2) of NI 45-106 [*Mortgages*]	Proposed s. 73(1)(a) of the OSA
s. 2.37 of NI 45-106 [*Personal property securities legislation*]	Proposed s. 73(1)(a) of the OSA
s. 2.41 of NI 45-106 [*Schedule III banks and cooperative associations – evidences of deposit*]	Proposed clause (e) of definition of “security” in s. 1(1) of the OSA would exclude these evidences of deposit from the definition of “security”
Proposed NI 45-106 – registration exemptions	
s. 3.34(2)(a) of NI 45-106 [*Specified debt – debt security of or guaranteed by the Government of Canada or the government of a jurisdiction of Canada*]	Proposed s. 35(1)1 of the OSA

Provisions in proposed NI 45-106 that would not apply in Ontario or provisions in proposed Rule 45-501 that would be repealed	Corresponding provision of the OSA and other instruments that would apply in Ontario
s. 3.34(2)(c) of NI 45-106 [*Specified debt – debt security of or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated*]	Proposed s. 35(1)2 of the OSA
s. 3.36(2) of NI 45-106 [*Mortgages*]	Proposed s. 35(4) of the OSA
s. 3.37 of NI 45-106 [*Personal property securities legislation*]	Proposed ss. 35(2) and (3) of the OSA
s. 3.41 of NI 45-106 [*Schedule III banks and cooperative associations – evidences of deposit*]	Proposed clause (e) of definition of "security" in s. 1(1) of the OSA would exclude these evidences of deposit from the definition of "security"
Proposed Rule 45-501 – prospectus exemptions	
s. 2.7 of OSC Rule 45-501 [*School board debt*]	Proposed s. 73(1)(a) of the OSA
Proposed Rule 45-501 – registration exemptions	
s. 3.7 of Rule 45-501 [*School board debt*]	Proposed s. 35(1)3 of the OSA
s. 4.1(1) of Rule 45-501, as it applies to a trade by a financial institution referred to in s.35.1(1) of the OSA [*Certain trades by financial intermediaries and Schedule III banks*]	Proposed s. 35.1(1) of the OSA
s. 4.2 of Rule 45-501 [*Financial intermediary that is regulated by the federal Office of the Superintendent of Financial Institutions if the financial intermediary is acting as an adviser in accordance with the legislation of the Parliament of Canada governing the financial intermediary, or Schedule III bank if the Schedule III bank is acting as an adviser in accordance with the Bank Act (Canada)*.]	s. 209(1) of Regulation 1015 and proposed s. 35.1(1) of the OSA

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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 SecuritiesScource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
04/30/2009	37	20/20 Diversified Income Trust - Trust Units	476,104.00	548.00
12/23/2008	1	Advanced Explorations Inc. - Warrants	0.00	0.00
04/30/2009	2	Affinity Gold Corp. - Common Shares	171,036.00	N/A
04/20/2009	209	Africa Oil Corp. - Receipts	33,947,516.60	35,734,228.00
05/01/2009	3	Ameroil Corp. - Notes	185,000.00	N/A
04/30/2009	1	AnyWare Group Inc. - Preferred Shares	28,000.02	N/A
04/29/2009	30	ARA Safety Inc. - Preferred Shares	1,600,000.00	64,000.00
05/06/2009	1	Arcelor Mittal - Notes	117,980.00	100,000.00
04/24/2009	8	Argentex Mining Corporation - Units	532,200.24	1,478,334.00
04/30/2009	41	Atikwa Mineral Corporation - Common Shares	537,500.00	10,750,000.00
04/13/2009	3	Attensity Group Inc. - Preferred Shares	81,776.60	39,624,993.00
12/24/2008	2	Caldera Resources Inc. - Units	100,700.00	146.00
04/30/2009	12	Canadian Arrow Mines Limited - Units	285,000.00	N/A
12/31/2008	1	Canadian Orebodies Inc. - Units	240,000.00	4,000,000.00
04/29/2009	9	CareVest Blended Mortgage Investment Corporation - Preferred Shares	189,700.00	756,700.00
04/30/2009	12	Chemaphor Inc. - Debentures	380,000.00	N/A
04/30/2009	36	Cloudbreak Resources Ltd. - Flow-Through Shares	407,750.00	N/A
11/28/2008 to 12/01/2008	3	Colt Resources Inc. - Units	130,500.00	466,000.00
04/29/2009	5	Coltstar Ventures Inc. - Common Shares	700,000.00	2,800,000.00
04/20/2009	1	Concrete Equities Diversified Fund - Trust Units	7,500.00	75.00
04/29/2009	1	Crosshair Exploration & Mining Corp. - Common Shares	477,900.00	2,655,000.00
04/30/2009	1	Crowflight Minerals Inc. - Common Shares	5,000,000.00	29,411,765.00
05/05/2009	1	Crown Americas, LLC/Crown Americas Capital Corp. II - Notes	1,141.80	N/A
04/30/2009	80	Cymat Technologies Ltd. - Units	2,639,024.36	8,490,995.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
04/30/2009	17	DeeThree Exploration Ltd. - Receipts	5,000,085.60	N/A
05/08/2009	1	Ecu Silver Mining Inc. - Common Shares	436,596.14	623,709.00
05/04/2009	1	Epocal Inc. - Debentures	1,192,500.00	N/A
05/06/2009	1	ESO Uranium Corp. - Flow-Through Shares	210,000.00	3,000,000.00
04/22/2009	1	Forewest Holdings Inc. - Notes	2,000,000.00	1.00
04/29/2009	4	Freewest Resources Canada Inc. - Common Shares	500,000.00	1,666,666.00
04/20/2009	10	Glenmore & Centre Registered Capital Ltd. - Bonds	162,500.00	N/A
12/12/2008	2	Golden Hope Mines Limited - Flow-Through Shares	500,000.00	7,142,856.00
04/29/2009	18	Grizzley Diamonds Ltd. - Units	162,900.00	N/A
05/05/2009	1	IBIS Re Ltd. - Notes	5,309,100.00	4,500,000.00
04/22/2009 to 05/01/2009	129	IGW Real Estate Investment Trust - Trust Units	4,923,313.18	3,297,737.98
04/27/2009	2	JBS USA, LLC and JBS USA Finance Inc. - Notes	16,446,759.84	N/A
04/24/2009	20	Klondike Silver Corp. - Flow-Through Units	538,500.00	4,075,000.00
04/22/2009	8	Metals Creek Resources Corp. - Units	107,020.00	N/A
04/28/2009	4	Metals Creek Resources Corp. - Units	35,000.00	N/A
05/06/2009	1	Nalco Company - Notes	1,148,030.85	N/A
05/01/2009 to 05/07/2009	20	Newport Canadian Equity Fund - Units	835,000.00	6,540.95
05/01/2009 to 05/07/2009	57	Newport Fixed Income Fund - Units	4,626,618.10	45,003.78
05/01/2009 to 05/07/2009	71	Newport Yield Fund - Units	2,866,097.25	28,763.57
05/01/2009	4	Pele Mountain Resources Inc. - Common Shares	108,000.00	N/A
04/27/2009 to 05/01/2009	13	Polaris Geothermal Inc. - Units	1,682,000.00	3,737,778.00
05/01/2009 to 05/06/2009	36	Q-Gold Resources Ltd. - Common Shares	246,416.70	25,404,240.00
04/23/2009	75	Riverside Resources Inc. - Units	1,508,600.00	3,771,500.00
01/19/2009	8	Rx Exploration Inc. - Units	450,000.00	2,250,000.00
01/29/2009	1	Rx Exploration Inc. - Units	10,000.00	50,000.00
04/24/2009	22	Serrano Energy Ltd. - Common Shares	1,350,800.00	277,020.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
05/01/2009	4	Stacey Muirhead Limited Partnership - Limited Partnership Units	587,999.46	18,457.41
04/23/2009	25	Sulliden Exploration Inc. - Units	6,101,245.90	9,386,533.00
05/05/2009	1	Textron Inc. - Notes	589,900.00	500,000.00
05/06/2009	2	The Goldman Sachs Group Inc. - Notes	28,295,096.20	24,000,000.00
04/30/2009	2	The McElvaine Investment Trust - Trust Units	32,123.02	2,467.11
05/04/2009	1	UBS AG, London Branch - Certificate	729,845.16	N/A
04/22/2009	1	UBS AG, London Branch - Certificate	18,519.14	8.00
04/27/2009	1	UBS AG, London Branch - Certificate	34,775.70	33.00
04/30/2009	11	Utilitran Corporation - Common Shares	77,500.00	96,875.00
04/30/2009	10	Walton AZ Vista Del Monte Limited Partnership 1 - Units	309,246.00	25,900.00
04/28/2009	6	Walton GA Arcade Meadows 1 Investment Corporation - Common Shares	78,280.00	7,828.00
04/28/2009	30	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	522,200.00	52,220.00
04/28/2009	20	Walton Income 1 Investment Corporation - Common Shares	247,500.00	1,000.00
04/28/2009	1	Whiterock Girouard St-Joseph Quebec Inc. - Loans	5,250,000.00	5,250,000.00
04/24/2009	8	Yukon-Nevada Gold Corp. - Units	520,000.00	8,666,667.00
04/30/2009	1	Yukon Gold Corporation Inc. - Common Shares	225,000.00	6,838,906.00
04/30/2009	2	Zelos Therapeutics Inc. - Notes	186,392.87	10.00
05/01/2009	1	ZTEST Electronics Inc. - Common Shares	28,000.00	2,800,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Anderson Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 13, 2009
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
$60,040,000.00 - 63,200,000 Common Shares Price: $0.95 per Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Cormark Securities Inc.
CIBC World Markets Inc.
GMP Securities L.P.
Promoter(s):
-
Project #1420585

Issuer Name:
BFI Canada Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
US$400,000,000.00:
Common Shares
Debt Securities
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1421475

Issuer Name:
Bissett Corporate Bond Fund
Franklin High Income Fund
Franklin Strategic Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 15, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
Series I Units
Underwriter(s) or Distributor(s):
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.
Promoter(s):
-
Project #1422323

Issuer Name:
Breaker Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 13, 2009
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
$23,460,000.00 - 5,100,000 Class A Shares Price: $4.60 per Class A Share
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
CIBC World Markets Inc.
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Tristone Capital Inc.
Promoter(s):
-
Project #1420397

Issuer Name:
Cannasat Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 19, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
Up to $2,500,000.00 - * Units Each Unit comprised of One Common Share and One Common Share Purchase Warrant Price: $ * per Unit
Underwriter(s) or Distributor(s):
Sandfire Securities Inc.
Promoter(s):
-
Project #1423558

Issuer Name:
Connacher Oil and Gas Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 19, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
$* - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Credit Suisse Securities (Canada) Inc.
TD Securities Inc.
Promoter(s):
-
Project #1423262

Issuer Name:
Crew Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 13, 2009
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
$43,400,000.00 - 7,000,000 Common Shares Price: $6.20 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Macquarie Capital Markets Canada Ltd.
Cormark Securities Inc.
Clarus Securities Inc.
TD Securities Inc.
Clarus Securities Inc.
TD Securities Inc.
FirstEnergy Capital Corp.
Tristone Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1420192

Issuer Name:
DFA U.S. Value Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
Class A(H), F(H) and I(H) Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Dimensional Fund Advisors Canada ULC
Project #1423153

Issuer Name:
First Uranium Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
$106,750,000.00 - 15,250,000 Common Shares Price: $7.00 per Offered Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Macquarie Capital Markets Canada Ltd.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1422154

Issuer Name:
FortisBC Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Base Shelf Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
$300,000,000.00:
Medium Term Note Debentures
(unsecured)
Underwriter(s) or Distributor(s):
CIBC World Market Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1422262

Issuer Name:
Harvest Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
$116,800,000.00 - 16,000,000 Trust Units Price: $7.30 per Trust Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Promoter(s):
-
Project #1422256

Issuer Name:
Horizons BetaPro COMEX Gold ETF
Horizons BetaPro COMEX Silver Bear Plus ETF
Horizons BetaPro COMEX Silver Bull Plus ETF
Horizons BetaPro COMEX Silver ETF
Horizons BetaPro NYMEX Crude Oil ETF
Horizons BetaPro NYMEX Natural Gas ETF
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 13, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BetaPro Management Inc.
Project #1420948

Issuer Name:
Horizons BetaPro Double Gold Bullion Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated May 19, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
US$ * - * Class U and Cdn$ - * C Units Price: U.S.$10.00 per Class U Unit-Cdn$10.00 per Class C Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
BetaPro Management Inc.
Project #1423515

Issuer Name:
Intact Financial Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated May 13, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
$2,000,000,000.00"
Debt Securities
Class A Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1421171

Issuer Name:
RONA inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
$150,027,000.00 -11,630,000 Common Shares Price: $12.90 per Common Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
-
Project #1422381

Issuer Name:
Savanna Energy Services Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
$110,250,000.00 - 17,500,000 Common Shares Price: $6.30 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
FirstEnergy Capital Corp.
TD Securities Inc.
RBC Dominion Securities Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1422499

Issuer Name:
AAER Inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 15, 2009
Offering Price and Description:
Minimum Offering: $3,000,120.00 or 13,044,000 Offered Units (the "Minimum Offering"); Maximum Offering: $7,500,070.00 or 32,609,000 Offered Units (the "Maximum Offering"); and Issuance of a Maximum of 6,576,096 Payment Units in Settlement of Certain Outstanding Debts
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #1407331

Issuer Name:
BMO T Bill Fund (series A, I and BMO Guardian T-Bill Fund Series F)
BMO Money Market Fund (series A and I)
BMO AIR MILES®† Money Market Fund (series A and I)
BMO Premium Money Market Fund (series A and I)
BMO Mortgage and Short-Term Income Fund (series A and I)
BMO Bond Fund (series A, I and BMO Guardian Bond Fund Series F)
BMO Monthly Income Fund (series A, I and BMO Guardian Monthly Income Fund Series F)
BMO World Bond Fund (series A, I and BMO Guardian World Bond Fund Series F)
BMO Diversified Income Fund (series A and I)
BMO Global Monthly Income Fund (series A and I)
BMO Global High Yield Bond Fund (series A and I)
BMO U.S. High Yield Bond Fund (series A, I and BMO Guardian U.S. High Yield Bond Fund Series
F)
BMO Income Trust Fund (series A and I)
BMO Asset Allocation Fund (series A and I)
BMO Dividend Fund (series A, I and BMO Guardian Dividend Fund Series F))
BMO U.S. Equity Fund (series A, I and BMO Guardian U.S. Equity Fund Series F)
BMO Equity Fund (series A, I and BMO Guardian Equity Fund Series F)
BMO North American Dividend Fund (series A and I)
BMO International Index Fund (series A and I)
BMO U.S. Equity Index Fund (series A and I)
BMO International Equity Fund (series A, I and BMO Guardian International Equity Fund Series F)
BMO European Fund (series A, I and BMO Guardian European Fund Series F)
BMO U.S. Growth Fund (series A and I)
BMO Equity Index Fund (series A and I)
BMO Japanese Fund (series A and I)
BMO Special Equity Fund (series A and I)
BMO U.S. Special Equity Fund (series A and I)
BMO Global Science & Technology Fund (series A and I)
BMO Emerging Markets Fund (series A, I and BMO Guardian Emerging Markets Fund Series F)
BMO Resource Fund (series A and I)
BMO Precious Metals Fund (series A and I)
BMO U.S. Dollar Money Market Fund (series A and I)
BMO U.S. Dollar Monthly Income Fund (series A and I)
BMO U.S. Dollar Equity Index Fund (series A and I)
BMO Short-Term Income Class (series A and I)
BMO Dividend Class (series A and I)
BMO Global Dividend Class (series A and I)
BMO Canadian Equity Class (series A and I)
BMO Global Equity Class (series A and I)
BMO Greater China Class (series A and I)
BMO Sustainable Opportunities Class (series A and I)
BMO Global Energy Class (series A and I)
BMO Sustainable Climate Class (series A and I)
BMO International Value Class (series A and I)
BMO SelectClass Security Portfolio (series A, I and T6)
BMO SelectClass Balanced Portfolio (series A, I and T6)
BMO SelectClass Growth Portfolio (series A, I and T6)
BMO SelectClass Aggressive Growth Portfolio (series A, I and T6)
BMO LifeStage Plus 2015 Fund (series A)
BMO LifeStage Plus 2017 Fund (series A)
BMO LifeStage Plus 2020 Fund (series A)
BMO LifeStage Plus 2022 Fund (series A)
BMO LifeStage Plus 2025 Fund (series A)
BMO LifeStage Plus 2026 Fund (series A)
BMO LifeStage Plus 2030 Fund (series A)
BMO FundSelect Security Portfolio (series A and I)
BMO FundSelect Balanced Portfolio (series A and I)
BMO FundSelect Growth Portfolio (series A and I)
BMO FundSelect Aggressive Growth Portfolio (series A and I)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 8, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
series A, I, T6 and/or F securities
Underwriter(s) or Distributor(s):
BMO Investments Inc.
Promoter(s):
-
Project #1402935

Issuer Name:
BMO Canadian Government Bond Index ETF (formerly BMO Canadian Government Bond ETF)
BMO Dow Jones Canada Titans 60 Index ETF (formerly BMO Canadian Equity ETF)
BMO US Equity Index ETF (formerly BMO US Equity ETF)
BMO International Equity Index ETF (formerly BMO International Equity ETF)
BMO Emerging Markets Equity Index ETF (formerly BMO Emerging Markets Equity ETF)
BMO Global Infrastructure Index ETF (formerly BMO Global Infrastructure ETF)
BMO Dow Jones Diamonds Index ETF (formerly BMO Dow Jones Industrial Average ETF)
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 12, 2009
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Jones Heward Investment Counsel Inc.
Project #1373984

Issuer Name:
Co-operators General Insurance Company
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
$100,000,000.00 - (4,000,000 Shares) Non-Cumulative 5-Year Rate Reset Class E Preference Shares, Series D
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Dundee Securities Corporation
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #1417507

Issuer Name:
Friedberg Asset Allocation Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 19, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Friedberg Mercantile Group Ltd.
Friedberg Mercantile Group Ltd.
Promoter(s):
Friedberg Mercantile Group Ltd.
Project #1402240

Issuer Name:
Frontiers U.S. Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 5, 2009 to the Simplified Prospectus and Annual Information Form dated December 18, 2008
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1339709

Issuer Name:
Great-West Lifeco Inc.
Principal Regulator - Manitoba
Type and Date:
Final Shelf Prospectus dated May 12, 2009
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
$4,000,000,000.00:
Debt Securities (unsecured)
First Preferred Shares
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1417310

Issuer Name:
Kinross Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
$1,000,000,000.00 - Common Shares Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1416009

Issuer Name:
Northern Rivers Conservative Growth Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated April 30, 2009 (the amended prospectus) amending and restating the Simplified Prospectus and Annual Information Form dated August 25, 2008
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
OFFERING SERIES A SERIES F AND SERIES P UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
Northern Rivers Capital Management Inc.
Project #1294307

Issuer Name:
Pathway Quebec Mining 2009 Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Amended and Restated Long Form Prospectus dated May 8, 2009 (the amended prospectus) amending and restating the Long Form Prospectus dated March 16, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Laurnetian Bank Securities Inc.
Industrial Alliance Securities Inc.
Dundee Securities Corporation
Promoter(s):
Pathway Quebec Mining 2009 Inc.
Project #1371292

Issuer Name:
RBC Private U.S. Value Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 7, 2009 to the Simplified Prospectus and Annual Information Form dated August 22, 2008
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Asset Management Inc.
The Royal Trust Company
Promoter(s):
-
Project #1293750

Issuer Name:
RENAISSANCE U.S. EQUITY VALUE FUND
RENAISSANCE GLOBAL MULTI MANAGEMENT FUND
RENAISSANCE GLOBAL FOCUS FUND
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 5, 2009 to Final Simplified Prospectuses and Annual Information Forms dated September 15, 2008
NP 11-202 Receipt dated May 13, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC Asset Management Inc.
Promoter(s):
CIBC Asset Management Inc.
Project #1294269

Issuer Name:
Response Biomedical Corp
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
$11,000,000.00 - 73,333,333 Units Price: $0.15 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #1415924

Issuer Name:
Sentry Select Canadian Income Exchange Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 15, 2009
NP 11-202 Receipt dated May 19, 2009
Offering Price and Description:
$40,000.00 - Maximum (4,000,000 Units) Price: $10 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
Sentry Select Capital Inc.
Project #1403334

Issuer Name:
Vero Energy Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 14, 2009
NP 11-202 Receipt dated May 14, 2009
Offering Price and Description:
$15,000,000.00 - 4,000,000 Common Shares Price: $3.75 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
FirstEnergy Capital Corp.
Clarus Securities Inc.
Macquarie Capital Markets Canada Ltd.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Maison Placements Canada Inc.
Dundee Securities Corporation
Paradigm Capital Inc.
Promoter(s):
-
Project #1416449

Issuer Name:
Russell Breweries Inc.
Type and Date:
Rights Offering Circular dated April 28, 2009
Accepted on April 28, 2009
Offering Price and Description:
Offering of Rights to Subscribe for Units
Underwriter(s) or Distributor(s):
-.
Promoter(s):
-
Project #1403718

Issuer Name:
Snam Rete Gas S.p.A
Type and Date:
Rights Offering Circular dated April 24009
Accepted on April 27 2009
Offering Price and Description:
Offering of Rights to Subscribe for Units
Underwriter(s) or Distributor(s):
-.
Promoter(s):
-
Project #P30661

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Morgan Dragon Development Corp.	Limited Market Dealer	May 15, 2009
Change of Category	Van Berkom & Associates Inc.	From: Extra Provincial Investment Counsel & Portfolio Manager & Limited Market Dealer To: Extra Provincial Investment Counsel & Portfolio Manager	May 14, 2009
New Registration	Storeyworks Capital Inc.	Limited Market Dealer	May 20, 2009

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Schedules Next Appearance in the Matter of Corner, Halladay, Hanson, Moore and Rainbird

NEWS RELEASE
For immediate release

MFDA SCHEDULES NEXT APPEARANCE IN THE MATTER OF CORNER, HALLADAY, HANSON, MOORE AND RAINBIRD

May 15, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Colin Corner, Heather D. Halladay, John J. Hanson, Richard G. Moore and James E. Rainbird (the "Respondents") by Notice of Hearing dated October 21, 2008.

Following submissions by the parties respecting scheduling and other procedural matters, the Hearing Panel directed that the next appearance in this proceeding will take place by teleconference on September 21, 2009 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the appearance can be held.

The Hearing Panel also directed that the Hearing on the Merits, originally scheduled for June 22-26, 2009, be rescheduled for October 19-23, 2009. The hearing will also take place in the Hearing Room located at the Toronto offices of the MFDA and will commence at 10:00 a.m. (Eastern) each day, or as soon thereafter as the hearing can be held.

These appearances will be open to the public, except as may be required for the protection of confidential matters.

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

The MFDA is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 149 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
416-943-4606 or ymacdougall@mfda.ca

13.1.2 IIROC Rules Notice – Request for Comments – Trading in Securities of U.S. OTC Issuers – Proposed Amendments to Dealer Member Rule 1300.1

IIROC RULES NOTICE

REQUEST FOR COMMENTS

TRADING IN SECURITIES OF U.S. OTC ISSUERS –
PROPOSED AMENDMENTS TO DEALER MEMBER RULE 1300.1

Summary of nature and purpose of proposed Rule

On April 30, 2009, the Board of Directors ("the Board") of the Investment Industry Regulatory Organization of Canada ("IIROC") approved the publication for comment of proposed amendments to the Dealer Member Rules ("the Rules") in relation to trading in securities of U.S. over-the-counter ("OTC") issuers. The proposed amendments will introduce a new requirement for Dealer Members to ascertain the identity of the ultimate, individual beneficial owner of U.S. OTC securities before such securities are sold.

Specifically, the proposed amendments will:

- Prohibit a Dealer Member from accepting an order to sell the securities of a U.S. OTC issuer until the Dealer Member has formed a reasonable belief as to the true identity of the beneficial owner of those securities, including the identity of every natural person who controls the beneficial owner where the beneficial owner is not a natural person;

- Provide an exemption for American Depository Receipts and for any OTC securities for which the issuer has a class of securities listed or quoted on the TSX Venture Exchange, The Toronto Stock Exchange, the Canadian National Stock Exchange, the New York Stock Exchange, the American Stock Exchange or the NASDAQ Stock Market; and

- Provide an isolated trade exemption from identification requirements.

The primary objective of the proposed amendments is to discourage abusive and illegal OTC market activity, and prevent such activity from migrating to other parts of Canada as a result of similar requirements imposed by the British Columbia Securities Commissions ("BCSC").

Issues and specific proposed amendments

Relevant history

U.S. OTC issuers have often been a source of scandal with links to Canada, and British Columbia ("BC") in particular. The U.S. OTC market is composed of the Over-the-Counter Bulletin Board and the Pink Sheets. A disproportionate number of the players in these U.S. OTC markets who engage in abusive activities have visible connections to BC. As a result of the actual harm and reputational damage to BC's capital markets, the BCSC has implemented measures to prevent further abusive activities.

BCSC conditions of registration

The measures implemented by the BCSC include conditions of registration ("conditions") for all BC investment dealers that trade in securities of U.S. OTC issuers through an office in BC. The conditions took effect on June 13, 2008, and will expire on December 31, 2011.

The BCSC conditions can be grouped into three general categories:

- Beneficial ownership identification requirements prior to the sale of securities of an OTC issuer

- Detailed reporting requirements with respect to securities of OTC issuers traded and held in the accounts of Dealer Members

- Designated person responsibility for certification of procedures relating to OTC trading, approval of deposits of securities of OTC issuers, and compliance with the conditions

Undertaking and isolated trade exemption

The conditions do not apply to a BC registered dealer that files an undertaking acknowledging that the dealer will not trade securities of an OTC issuer until December 31, 2011 for its own account or the account of any other person. However, a firm

that has filed an undertaking may make an isolated trade in securities of an OTC issuer if the trade is on behalf of a client that does not trade in securities of OTC issuers, either generally or occasionally, and if the firm records the relevant details of the isolated trade. Guidance provided by the BCSC indicates that the relevant details of the trade which must be recorded include the name of the issuer, the number of securities traded, the date of the trade, the price, and the circumstances that the firm believed brought the trade within the exception. A firm that has filed an undertaking may later withdraw it by providing the BCSC with 10 days notice before making any trades in securities of an OTC issuer.

IIROC rule initiative

The conditions imposed by the BCSC are intended to address abusive and illegal market activity, while having a minimum impact on legitimate trading. It was recognized that the BCSC conditions may cause abusive market activity to move elsewhere within Canada. The adoption of similar requirements by IIROC is intended to discourage and prevent the illegal OTC market activity from migrating to other parts of Canada. The IIROC requirements will also standardize rules targeting illegal OTC market activity for all IIROC Dealer Members, although Dealer Members operating out of BC will have to continue to comply with the BC conditions so long as those conditions are in place.

Current rules

IIROC Dealer Member Rule 1300 currently sets out requirements for Dealer Members to learn and remain informed of the essential facts relative to every customer and to every order or account accepted. Pursuant to IIROC Dealer Member Rule 1300.1, Dealer Members are required to ascertain and verify the identity of any natural person who is a beneficial owner, directly or indirectly, of more than 10% of a corporation or similar entity, or a trust. The proposed amendments will be a new requirement in addition to the existing identification requirements set out in Dealer Member Rule 1300.

Current Dealer Member Rule 1300.1(c) provides an exception from the above requirements where the account holder is a corporation or entity that is, or is an affiliate of, a bank, trust or loan company, securities dealer or similar financial institution subject to a satisfactory regulatory regime in the country in which it is located.

Proposed rules

One of the key requirements set by the BCSC conditions is the Dealer Member's obligation to establish the ultimate, individual beneficial owner of OTC securities before a sale is executed. If the securities are not owned by a natural person, then the Dealer Member is required to determine the identity of every individual who is a beneficial owner of the securities. This requirement targets some of the highest risk transactions, such as abusive or illegal market trading where the identity of those trading is hidden behind offshore intermediaries. The proposed amendments adopt a similar identification requirement as an amendment to Dealer Member Rule 1300.1. Specifically, Dealer Members will be prohibited from accepting an order to sell securities of an OTC issuer until the Dealer Member has made the inquiries necessary to form a reasonable belief that it knows the true identity of every beneficial owner of those securities. Where a beneficial owner of the securities is not a natural person, the Dealer Member must make the inquiries necessary to form a reasonable belief that it knows the identity of every natural person who owns the beneficial owner.

For purposes of the proposed amendments, an "OTC issuer" is defined as an issuer that has a class of OTC-quoted securities, other than American Depository Receipts, and no class of securities listed or quoted on the TSX Venture Exchange, The Toronto Stock Exchange, the Canadian National Stock Exchange, the New York Stock Exchange, the American Stock Exchange or the NASDAQ Stock Market; and "OTC-quoted securities" is defined as a class of securities that has been assigned a ticker symbol on the OTC Bulletin Board or the Pink Sheets. As a result, the proposed identification requirements will not apply in respect of the sale of securities of an OTC issuer with a class of securities listed or quoted on one of the specified exchanges ("the exempting exchanges").

The proposed identification requirement will not be subject to a similar exception as that set out in Dealer Member Rule 1300.1(c). The proposed provisions will require Dealer Members to identify the beneficial owner of securities of OTC issuers where the account holder is a foreign bank, securities dealer or similar financial institution. The identification of beneficial ownership of OTC issuer securities sold by all offshore accounts is critical to the effectiveness of the proposed rule. If the proposed identification requirement were subject to exceptions similar to Dealer Member Rule 1300.1(c), then securities of OTC issuers could be sold through an offshore account without establishing the identity of the seller or beneficial owner. In the case of accounts for foreign institutions subject to bank secrecy legislation, if the Dealer Member can not obtain the required information, then the Dealer Member will be prohibited from accepting an order to sell the securities.

The proposed amendments also incorporate an isolated trade exemption similar to the exception provided by the BCSC for those firms that file an undertaking under the BCSC conditions. The proposed exemption does not require Dealer Members to file an undertaking with IIROC. However, like the BCSC isolated trade exemption, the IIROC exemption is only available in instances where a Dealer Member does not make a practice of trading securities of OTC issuers for its own account or the account of any other person. Furthermore, the exemption only applies to trades on behalf of a client that does not trade in

securities of OTC issuers, either generally or occasionally, and if the firm records the relevant details of the isolated trade. Consequently, all Dealer Members will be required to comply with the IIROC identification requirements, except in those rare instances where the trade may be made under the isolated trade exemption.

IIROC is issuing a Draft Guidance Note for public comment that is intended to explain how IIROC will apply and interpret the Dealer Member Rules relating to trading in U.S. OTC securities. A copy of the Draft Guidance Note is enclosed as "Attachment C".

The proposed amendments to IIROC Dealer Member Rule 1300.1 are enclosed as "Attachment A". A black line copy of the same is enclosed as "Attachment B".

Alternatives considered

IIROC staff considered all of the conditions imposed by the BCSC. IIROC does not propose the adoption of rules similar to the BCSC conditions with respect to reporting requirements and designated person responsibilities. IIROC Dealer Member Rules already require the designation of an Ultimate Designated Person, and Dealer Members are required to have procedures in place to properly supervise their accounts. IIROC staff believe that business conduct reviews of, and financial reporting by, Dealer Members currently provides satisfactory insight into the trading engaged in by firms so that the adoption at this time of reporting requirements like those in the BCSC conditions is not necessary. Similarly, IIROC staff does not propose the adoption of rules similar to the BCSC conditions requiring firms to identify whether a person is "an insider, control person, or founder of the OTC issuer, or an individual who conducts or causes to be conducted investor relations activities relating to the OTC issuer; and if so, how the beneficial owner acquired the securities." The proposed IIROC identification requirements will relate only to the obligation of Dealer Members to identify the ultimate beneficial ownership by natural persons of OTC issuer securities that are sold.

Like the BCSC conditions, the proposed amendments exempt application of the rule with respect to the sale of securities of OTC issuers that have a class of securities listed or quoted on one of the exempting exchanges. In response to comments received from IIROC advisory committees consulted during the rule development process, IIROC staff considered extending the list of exempting exchanges on the basis that there are well-established, large capitalization issuers listed on prominent exchanges such as the London Stock Exchange that may have a class of securities trading on the U.S. OTC markets that would be captured by the proposed amendments. However, IIROC's consultation process did not produce any examples of an issuer listed on a major non-North American exchange with a class of securities trading on the U.S. OTC markets that was not also listed or quoted on one of the exempting exchanges in the proposed amendments. As a result, IIROC staff was of the view that a revision extending the list of exempting exchanges was not justified.

Proposed Rule classification

Statements have been made elsewhere as to the nature and effects of the proposed rule, as well as analysis. The purposes of the proposed rule are to:

- ensure compliance with securities laws;
- prevent fraudulent and manipulative acts and practices;
- promote just and equitable principles of trade and the duty to act fairly, honestly and in good faith;
- foster fair, equitable and ethical business standards and practices; and
- promote the protection of investors.

It is believed that the proposed amendments will discourage abusive and illegal market activity associated with securities of U.S. OTC issuers from being conducted through Dealer Members, and dissuade the illegal OTC market activity from migrating to other parts of Canada. The IIROC requirements will also standardize rules targeting illegal OTC market activity for all IIROC Dealer Members, although Dealer Members operating out of BC will have to continue to comply with the BC conditions so long as those conditions are in place.

The Board therefore has determined that the proposed amendments are not contrary to the public interest.

Due to the extent and substantive nature of the proposed amendments, they have been classified as Public Comment Rule proposals.

Effects of the proposed Rule on market structure, Dealer Members, non-Dealer Members, competition and costs of compliance

The proposed amendments do not impose any burden or constraint on competition or innovation that is not necessary or appropriate in furtherance of IIROC's regulatory objectives. They do not impose costs or restrictions on the activities of market participants (including Dealer Members and non-Dealer Members) that are disproportionate to the goals of the regulatory

objectives sought to be realized. The proposed amendments will likely result in a significant reduction in the number of sale transactions in U.S. OTC securities through Dealer Members by non-individual entities.

Technological implications and implementation plan

In most instances, there should not be significant technological implications for Dealer Members as a result of the proposed amendments. Procedurally, Dealer Members are required now to supervise trading and comply with existing identity verification requirements. Some Dealer Members may feel the need to enhance their compliance monitoring systems to better detect the sale of U.S. OTC issuer securities captured by the proposed amendments.

The proposed amendments will be made effective on a date determined by IIROC staff that allows for a reasonable rule implementation period after approval is received from IIROC's recognizing regulators.

Request for public comment

Comments are sought on the proposed amendments. Comments should be made in writing. Two copies of each comment letter should be delivered by July 21, 2009 (60 days from the publication date of this notice). One copy should be addressed to the attention of:

Jamie Bulnes
Director, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
Suite 1600, 121 King Street West
Toronto, ON M5H 3T9

The second copy should be addressed to the attention of:

Manager of Market Regulation
Ontario Securities Commission
19th Floor, Box 55
20 Queen Street West
Toronto, ON M5H 3S8
marketregulation@osc.gov.on.ca

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IIROC website (**www.iiroc.ca** under the heading "IIROC Rulebook - Dealer Member Rules - Policy Proposals and Comment Letters Received").

Questions may be referred to:

Jamie Bulnes
Director, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
416-943-6928
jbulnes@iiroc.ca

OR

Sherry Tabesh-Ndreka
Policy Counsel, Member Regulation Policy
Investment Industry Regulatory Organization of Canada
416-943-4656
stabesh@iiroc.ca

Attachments

Attachment A – Proposed amendments to Dealer Member Rule 1300.1 regarding trading in securities of U.S. OTC issuers

Attachment B – Black line copy of IIROC Dealer Member Rule 1300.1 reflecting amendments

Attachment C – Draft Guidance Note - Trading in Securities of U.S. Over-the-Counter Issuers

Attachment B

Investment Industry Regulatory Organization of Canada

Trading in Securities of U.S. Over-the-Counter Issuers
Amendments to Dealer Member Rule 1300.1

Black-line copy

1300.1.

Identity and Creditworthiness

(a) Each Dealer Member shall use due diligence to learn and remain informed of the essential facts relative to every customer and to every order or account accepted.

(b) When opening an initial account for a corporation or similar entity, the Dealer Member shall:

(i) ascertain the identity of any natural person who is the beneficial owner, directly or indirectly, of more than 10% of the corporation or similar entity, including the name, address, citizenship, occupation and employer of each such beneficial owner, and whether any such beneficial owner is an insider or controlling shareholder of a publicly traded corporation or similar entity; and

(ii) as soon as is practicable after opening the account, and in any case no later than six months after the opening of the account, verify the identity of each individual beneficial owner identified in (i) using such methods as enable the Dealer Member to form a reasonable belief that it knows the true identity of each individual and that are in compliance with any applicable legislation and regulations of the Government of Canada or any province.

(c) Subsection (b) does not apply to:

(i) a corporation or similar entity that is or is an affiliate of a bank, trust or loan company, credit union, caisse populaire, insurance company, mutual fund, mutual fund management company, pension fund, securities dealer or broker, investment manager or similar financial institution subject to a satisfactory regulatory regime in the country in which it is located

(ii) a corporation or similar entity whose securities are publicly traded or an affiliate thereof.

(d) The Corporation may, at its discretion, direct Dealer Members that the exemption in subsection (c) does not apply to some or all types of financial institutions located in a particular country.

(e) When opening an initial account for a trust, a Dealer Member shall:

(i) ascertain the identity of the settlor of the trust and, as far as is reasonable, of any known beneficiaries of more than 10% of the trust, including the name, address, citizenship, occupation and employer of each such settlor and beneficiary and whether any is an insider or controlling shareholder of a publicly traded corporation or similar entity.

(ii) as soon as is practicable after opening the account, and in any case no later than six months after the opening of the account, verify the identity of each individual identified in (i) using such methods as enable the Dealer Member to form a reasonable belief that it knows the true identity of each individual and that are in compliance with any applicable legislation and regulations of the Government of Canada or any province.

(f) Subsection (e) does not apply to a testamentary trust or a trust whose units are publicly traded.

(g) If a Dealer Member, on inquiry, is unable to obtain the information required under subsections (b)(i) and (e)(i), the Dealer Member shall not open the account.

(h) If a Dealer Member is unable to verify the identities of individuals as required under subsections (b)(ii) and (e)(ii) within six months of opening the account, the Dealer Member shall restrict the account to liquidating trades and transfers, payments or deliveries out of funds or securities only until such time as the verification is completed.

(i) No Dealer Member shall open or maintain an account for a shell bank.

(j) For the purposes of section (i) a shell bank is a bank that does not have a physical presence in any country.

(k) Subsection (i) does not apply to a bank which is an affiliate of a bank, loan or trust company, credit union, other depository institution that maintains a physical presence in Canada or a foreign country in which the affiliated bank, loan or trust company, credit union, other depository institution is subject to supervision by a banking or similar regulatory authority

(l) Any Dealer Member having an account for a corporation, similar entity or trust other than those exempt under subsections (c) and (f) and which does not have the information regarding the account required in subsections (b)(i) and (e)(i) at the date of implementation of those subsections shall obtain the information within one year from date of implementation of subsections (b) and (e).

(m) If the Dealer Member does not or cannot obtain the information required under subsection (1) the Dealer Member shall restrict the account to liquidating trades and transfers, payments or deliveries out of funds or securities until such time as the required information has been obtained.

U.S. OTC Issuer Trading

(n) For purposes of subsections (o) and (p), the expression:

"OTC issuer" means an issuer that has:

(i) a class of OTC-quoted securities, other than American Depository Receipts; and

(ii) no class of securities listed or quoted on the TSX Venture Exchange, The Toronto Stock Exchange, the Canadian National Stock Exchange, the New York Stock Exchange, the American Stock Exchange or the NASDAQ Stock Market;

"OTC-quoted securities" means a class of securities that has been assigned a ticker symbol on the OTC Bulletin Board or the Pink Sheets.

(o) A Dealer Member must not accept an order to sell securities of an OTC issuer until the Dealer Member has made the inquiries necessary to form a reasonable belief that it knows the true identity of every beneficial owner of those securities. Where a beneficial owner of the securities is not a natural person, the Dealer Member must make the inquiries necessary to form a reasonable belief that it knows the identity of every natural person who owns the beneficial owner.

(p) Despite subsection (o), a Dealer Member may make an isolated trade in securities of an OTC issuer if:

(i) the Dealer Member does not trade securities of OTC issuers for its own account or, with the exception of a trade under subsection (p)(ii), the account of any other person;

(ii) the trade is on behalf of a client that does not trade in securities of OTC issuers, either generally or occasionally, as part of the client's investing activities; and

(iii) the Dealer Member records the relevant details of all trades made under this subsection.

Records

(~~n~~g) Dealer Members must maintain records of all information obtained and verification procedures conducted under this Rule 1300.1 in a form accessible to the Corporation for a period of five years after the closing of the account to which they relate.

Business Conduct

(~~o~~r) Each Dealer Member shall use due diligence to ensure that the acceptance of any order for any account is within the bounds of good business practice.

Suitability Generally

(~~p~~s) Subject to Rule 1300.1(~~r~~u) and 1300.1(s~~v~~), each Dealer Member shall use due diligence to ensure that the acceptance of any order from a customer is suitable for such customer based on factors including the customer's financial situation, investment knowledge, investment objectives and risk tolerance.

Suitability Determination Required When Recommendation Provided

(~~q~~t) Each Dealer Member, when recommending to a customer the purchase, sale, exchange or holding of any security, shall use due diligence to ensure that the recommendation is suitable for such customer based on factors including the customer's financial situation, investment knowledge, investment objectives and risk tolerance.

Suitability Determination Not Required

(~~r~~u) Each Dealer Member that has applied for and received approval from the Corporation pursuant to Rule 1300.1(~~t~~w), is not required to comply with Rule 1300.1(~~p~~s), when accepting orders from a customer where no recommendation is provided, to make a determination that the order is suitable for such customer.

(~~s~~v) Each Dealer Member that executes a trade on the instructions of another Dealer Member, portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer, pursuant to Section I.B (3) of Rule 2700 is not required to comply with Rule 1300.1(~~p~~s).

Corporation Approval

(~~t~~w) The Corporation, in its discretion, shall only grant such approval where the Corporation is satisfied that the Dealer Member will comply with the policies and procedures outlined in Rule 3200. The application for approval shall be accompanied by a copy of the policies and procedures of the Dealer Member. Following such approval, any material changes in the policies and procedures of the Dealer Member shall promptly be submitted to the Corporation.

Attachment C

DRAFT Guidance Note

Trading in Securities of U.S. Over-the-Counter Issuers
Dealer Member Rules 1300.1(n), (o) and (p)

INTRODUCTION

Dealer Member Rule 1300.1(o) establishes a beneficial owner identification requirement that Dealer Members must comply with before the sale of securities of U.S. over-the-counter (OTC) issuers.

This Guidance Note explains how IIROC will apply and interpret the Dealer Member Rules relating to trading in U.S. OTC securities.

IDENTIFICATION OF THE BENEFICIAL OWNER

The essential requirement of Dealer Member Rule 1300.1(o) is the Dealer Member's obligation to establish the identity of the ultimate, individual beneficial owner or owners of OTC securities before a sale of OTC securities is executed. If the securities are not owned by a natural person, then the Dealer Member is required to determine the identity of every individual who is a beneficial owner of those securities. Therefore, in the case of a corporate account, the Dealer Member must ascertain the identity of every natural person who beneficially owns the corporation wanting to sell OTC securities. If such a corporation is owned in whole or in part by another corporation, then the Dealer Member must establish the identity of every individual who beneficially owns that other corporation. The basic identification requirement is not complied with until the Dealer Member is able to establish beneficial ownership by natural persons for 100% of the ownership of the OTC securities sought to be sold.

There is no exemption from the beneficial owner identification requirement where the account holder is a bank, securities dealer or similar financial institution, whether foreign or domestic. Where financial intermediaries are involved in the sale of OTC securities, Dealer Members must look beyond the agency relationship in order to establish the ultimate beneficial owners. In the case of accounts for foreign institutions subject to bank secrecy legislation, if the Dealer Member can not obtain the required information, then the Dealer Member is prohibited from accepting an order to sell the securities. For example, if a Dealer Member holds securities on behalf of a bank that in turn holds the securities on behalf of the beneficial owner of the securities, the Dealer Member's client is the bank. However, the beneficial owner that must be identified is the client of the bank. If the client of the bank is a corporation or similar entity, then it is the individual who ultimately owns the corporation or entity that is the beneficial owner. Dealer Members should not assume that the person who has signing authority, such as an officer or director, is the person who owns the corporation or other entity.

For clients with direct market access and DAP accounts, Dealer Members are similarly expected to comply with the identification requirements prior to the sale of any OTC securities.

If the Dealer Member is unable to ascertain the identity of the beneficial owners of OTC securities, then it is prohibited from accepting or executing a sell order for the OTC securities.

REASONABLE BELIEF

Dealer Members are expected to make good faith inquiries and use reasonable and reliable methods that would enable them to form a reasonable belief as to the identity of the beneficial owner(s) of the OTC securities. In practice, Dealer Members may use current procedures for complying with existing identity verification requirements under Dealer Member Rule 1300.1, as reasonable and reliable methods of identification of beneficial owners, except that such methods will be applied in order to establish the ownership of OTC securities to the point where 100% of the ownership by natural persons is known.

Reasonable and reliable methods of identification may also encompass, but are not limited to, direct contact with those identified as the beneficial owner where the Dealer Member's client is not the beneficial owner, and making independent inquiries with third parties.

Where a doubt exists as to the identity of the beneficial owner of the OTC securities, the identification requirements have not been complied with. Dealer Members must be able to form a reasonable belief that they know the true identity of every beneficial owner of the OTC securities.

The Dealer Member's identification methods should be regularly tested and verified in order to ensure that they allow the Dealer Member to form the requisite reasonable belief.

If the beneficial owner's identity is determined at the time of account opening, at the time of purchase, or any other time prior to acceptance of the sell order, Dealer Members should use reasonable and reliable methods to record any changes or updates to the identity of the beneficial owner. Where a Dealer Member has reason to believe, or ought to know, that its existing records are inaccurate or out-of-date, it must determine prior to the sale of OTC securities accurate and up-to-date information regarding the identity of beneficial owners.

ISOLATED TRADE EXEMPTION

Dealer Member Rule 1300.1(p) provides an isolated trade exemption to the identification requirements under sub-section 1300.1(o). The exemption is only available in instances where the Dealer Member does not trade OTC securities for its own account, or the account of any other person, except as permitted under the isolated trade exemption itself. Furthermore, the exemption only applies to trades on behalf of a client that does not trade in securities of OTC issuers, either generally or occasionally, and if the firm records the relevant details of the isolated trade. The relevant details to be recorded include, but are not limited to, name of the issuer, number of securities traded, date of the trade, the price, and the circumstances that the firm believes brought the trade within the exemption.

All Dealer Members will be required to comply with the identification requirements, except in those rare instances where the trade may be made under the isolated trade exemption. IIROC expects the isolated trade exemption to be used sparingly. By definition, Dealer Members repeatedly attempting to avail themselves of the exemption will be disqualified from using the exemption further.

RECORD-KEEPING

The record-keeping requirements under Dealer Member Rule 1300.1(q) apply to the beneficial owner identification requirements for the sale of securities of OTC issuers in the same manner that they do for all other identification requirements under Dealer Member Rule 1300.1. Dealer Members must maintain sufficient records to reconstruct the basis on which they formed a reasonable belief as to the identity of beneficial owners of OTC securities.

13.1.3 Proposed Amendments to IIROC Rules 100.2, 100.20, and 400.4 and Form 1 Relating to the Margin Requirements for Precious Metals

INVESTMENT INDUSTRY REGULATORY ORGANIZATION~~DEALERS ASSOCIATION~~ OF CANADA
MARGIN REQUIREMENTS FOR PRECIOUS METALS – ~~REGULATIONS~~DEALER MEMBER RULES 100.2, 100.20, AND 400.4, AND FORM 1

BLACK-LINE OF AMENDMENTS

Prior to the implementation of the new methodology for margining equity securities

1. Subsection 100.2(i) of ~~Regulation~~Dealer Member Rule 100

(i) Precious Metal Certificates and Bullion

(i) Precious Metal Certificates

On negotiable certificates issued by Canadian chartered banks and trust companies authorized to do business in Canada evidencing an interest in precious metals:

Gold: 20% of market value

Platinum: 20% of market value

Silver: 20% of market value

(ii) On bullion purchased by a Dealer Member, for its inventory or on behalf of the~~a~~ client, from the Royal Canadian Mint or a Canadian chartered bank that is a market making member or ordinary member of the London Bullion Market Association (LBMA)~~; and~~ for which a written representation is provided to the Dealer Member from the Royal Canadian Mint or the Canadian chartered bank~~from them~~ stating that the bullion purchased are LBMA good delivery bars:

Gold: 20% of market value

Silver: 20% of market value

2. Section 100.20 of ~~Regulation~~Dealer Member Rule 100

100.20 Concentration of Securities

(a) For the purposes of this paragraph:

(i) "Amount Loaned" includes:

(A) In respect of long positions:

1. The loan value of long securities and precious metals in margin accounts on settlement date;

2. The loan value of long securities and precious metals in a regular settlement cash account when any portion of the account is outstanding after settlement date;

3. The loan value of long securities and precious metals in a delivery against payment cash account when such securities and precious metals are outstanding after settlement date;

4. The loan value of long inventory positions on trade date; and

5. The loan value of new issues carried in inventory 20 business days after new issue settlement date.

(B) In respect of short positions:

1. The market value of short positions in margin accounts on settlement date;

2. The market value of short positions in a regular settlement cash account when any portion of the account is outstanding after settlement date;

3. The market value of short positions in a delivery against payment cash account when such securities are outstanding after settlement date; and

4. The market value of short inventory securities on trade date.

(ii) "Security" includes:

(A) all long and short positions in equity and convertible securities of an issuer; and

(B) all long and short positions in debt or other securities, other than debt securities with a margin requirement of 10% or less.

(iii) “Precious metal” includes:

(A) long positions in certificates evidencing an interest in gold, platinum or silver that are acceptable for margin purposes as defined in ~~Regulation~~Dealer Member Rule 100.2(i)(i); and

(B) long positions in London Bullion Market Association (LBMA) gold or silver good delivery bars that are acceptable for margin purposes as defined in ~~Regulation~~Dealer Member Rule 100.2(i)(ii).

(iv) "Risk Adjusted Capital" means a Dealer Member’s risk adjusted capital as calculated before the securities concentration charge (Statement B, Line 25 on Form 1) plus minimum capital (Statement B, Line 6 of Form 1).

(b) For the purposes of calculating the amount loaned:

(i) Security positions that qualify for margin offsets pursuant to ~~Regulation~~Rule 100, as applicable, may be netted;

(ii) Separate calculations must be made for long security positions and short security positions. The greater of the long or short position must be used in the calculations below;

(iii) In calculating the total amount loaned for each customer on long (or short) positions on any one security, there may be deducted from the loan value (market value) of the long (or short) position:

(A) Any excess margin in the customer’s account; and

(B) 25% of the market value of long positions in any non-marginable securities in the account provided such securities are carried in readily saleable quantities only.

(iv) In calculating the amount loaned on long positions for a customer, where such customer (the "guarantor") has guaranteed another customer account (the "guaranteed account"), any securities and precious metal in the guarantor’s account which are used to reduce margin required in the guaranteed account in accordance with ~~Regulation~~Rule 100.14, shall be included in calculating the amount loaned on each security and precious metal for the purposes of the guarantor’s account;

(v) The values of trades made with acceptable institutions, acceptable counterparties and regulated entities that are outstanding 10 business days past settlement date and are:

(A) Not confirmed for clearing through a recognized clearing corporation; or

(B) Not confirmed by the acceptable institution, acceptable counterparty or a regulated entity,

Must be included in the calculation below in the same manner as delivery against payment cash accounts; and

(vi) The value of trades made with a financial institution that is not an acceptable institution, acceptable counterparty or regulated entity, outstanding less than 10 business days past settlement date, may

be excluded from the calculation below if each such trade was confirmed on or before settlement date with a settlement agent that is an acceptable institution or acceptable counterparty.

(c) (i) Subject to subclause (ii) below, where the total amount loaned by a Dealer Member on any one security or precious metal for all customers and/or inventory accounts, as calculated hereunder, exceeds an amount equal to two-thirds of the sum of the Dealer Member's risk adjusted capital, before securities concentration charge and minimum capital, as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned over two-thirds of the sum of the Dealer Member's risk adjusted capital, before securities concentration charge and minimum capital (Statement B, Line 6 of Form 1), shall be deducted from the risk adjusted capital of the Dealer Member. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security or precious metal for which the charge is incurred.

(ii) Notwithstanding subclause (i) above, where the loaned security issued by

(A) The Dealer Member, or

(B) A company, where the accounts of a Dealer Member are included in the consolidated financial statements and where the assets and revenues of the Dealer Member constitute more than 50% of the consolidated assets and 50% of the consolidated revenue, respectively, the company, based on the amounts shown in the audited consolidated financial statements of the company and the Dealer Member for the preceding fiscal year,

And the total amount loaned by the Dealer Member on any one such security, as calculated hereunder, exceeds an amount equal to one third of the Dealer Member's risk adjusted capital before securities concentration charge plus minimum capital as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned over one-third of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital shall be deducted from the risk adjusted capital of the Dealer Member.

(d) Where the total amount loaned by a Dealer Member on any one security or precious metal for all customers and/or inventory accounts as calculated hereunder exceeds an amount equal to one half of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital as most recently calculated, and the amount loaned on any other security or precious metal which is being carried by a Dealer Member for all customers and/or inventory accounts as calculated hereunder, exceeds an amount equal to one-half of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned on the other security or precious metal over one-half of the Dealer Member's risk adjusted capital shall be deducted from the risk adjusted capital of the Dealer Member. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security or precious metal for which the charge is incurred.

(e) For the purposes of calculating the concentration charges as required by paragraphs (c) and (d) above, such calculations shall be performed for the first five securities and precious metals in which there is a concentration.

(f) Where the capital charges described in subsections (c) and (d) would result in a capital deficiency or a violation of the rule permitting designation in early warning pursuant to Rule~~By-law~~ 30, the Dealer Member must report the over-concentration situation to the appropriate Joint Regulatory Bodies on the date the over-concentration first occurs.

3. Subsection 400.4(i) of ~~Regulation~~Dealer Member Rule 400

400.4. Amounts Required - The minimum amount of insurance to be maintained for each Clause under ~~Regulation~~Rule 400.2 shall be the greater of:

(a) $500,000, or, in the case of an Introducing Type 1 arrangement, $200,000; and

(b) 1% of the base amount (as defined herein), or in the case of Introducing Types 1 and 2 arrangements, ½% of the base amount;

provided that for each Clause such minimum amount need not exceed $25,000,000.

For the purposes of this ~~Regulation~~Rule 400, the term "base amount" shall mean the greater of:

(i) The aggregate of net equity for each customer determined as the total value of cash, securities, and other acceptable property (as defined in Schedule 10 of Form 1) owed to the customers by the Dealer Member less the total value of cash, securities, and other acceptable property (as defined in Schedule 10 of Form 1) owed by the customers to the Dealer Member; and

(ii) The aggregate of total liquid assets and total other allowable assets of the Dealer Member determined in accordance with Statement A of Form 1.

4. The General Notes and Definitions to Form 1

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

For London Bullion Market Association (LBMA) gold and silver good delivery bars, means those entities considered suitable to hold these bars on behalf of a Member, for both inventory and client positions, without capital penalty. These entities must:

- be a market making member, ordinary member or associate member of the LBMA;
- be on the SROs list of entities considered suitable to hold LBMA gold and silver good delivery bars; and
- have executed a written precious metals storage agreement with the Member, outlining the terms upon which such LBMA good delivery bars are deposited. The terms must include provisions that no use or disposition of these bars shall be made without the written prior consent of the Member, and these bars can be delivered to the Member promptly on demand. The precious metals storage agreement must provide equivalent rights and protection to the Member as the standard securities custodial agreement.

The entities are as follows:

1. Depositories ~~or~~and Clearing Agencies

~~Securities~~Any securities depositories or clearing ~~agencies incorporated or organized under the laws of Canada, the United States or other foreign country and~~agency operating a central system for handling securities or equivalent book-based entries ~~in that country and~~or for clearing of securities or derivatives transactions that is subject to ~~enabling~~ legislation and oversight by a central or regional government authority in the country of operation ~~that provides for~~. The legislation or oversight regime must provide for or recognize the securities depository's or clearing agency's powers of compliance and ~~powers of~~ enforcement over its members or participants. The ~~SROs~~Joint Regulatory Bodies will maintain and regularly update a list of those depositories ~~or~~and clearing agencies that comply with these criteria.

2. (a) Acceptable Institutions which in their normal course of business offer custodial security services; or

(b) Subsidiaries of Acceptable Institutions provided that each such subsidiary, together with the Acceptable Institution, has entered into a custodial agreement with the member containing a legally enforceable indemnity by the Acceptable Institution in favour of the Member covering all losses, claims, damages, costs and liabilities in respect of securities and other property held for the Member and its clients at the subsidiary's location.

3. Acceptable Counterparties - with respect to security positions maintained as a book entry of securities issued by the Acceptable Counterparty and for which the Acceptable Counterparty is unconditionally responsible.

4. Banks and Trust Companies otherwise classified as Acceptable Counterparties - with respect to securities for which they act as transfer agent and for which custody services are not being provided (in such case, a written custody agreement is not required).

5. Mutual Funds or their Agents - with respect to security positions maintained as a book entry of securities issued by the mutual fund and for which the mutual fund is unconditionally responsible.

6. Regulated entities.

7. Foreign institutions and securities dealers that satisfy the following criteria:

   (a) the paid-up capital and surplus according to its most recent audited balance sheet is in excess of Cdn. $150 million as evidenced by the audited financial statements of such entity;

   (b) in respect of which a foreign custodian certificate has been completed and signed in the prescribed form by the Member's board of directors or authorized committee thereof;

   provided that:

   (c) a formal application in respect of each such foreign location is made by the Member to the relevant joint regulatory authority in the form of a letter enclosing the financial statements and certificate described above; and

   (d) the Member reviews each such foreign location annually and files a foreign custodian certificate with the appropriate joint regulatory authority annually.

   and such other locations which have been approved as acceptable securities locations by the Joint Regulatory Body having prime jurisdiction over the Member.

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(~~f~~g) **"market value of securities"** means:

1. for listed securities, the last bid price of a long security and, correspondingly, the last ask price of a short security, as shown on the exchange quotation sheets as of the close of business on the relevant date or last trading date prior to the relevant date, as the case may be, subject to an appropriate adjustment where an unusually large or unusually small quantity of securities is being valued. If not available, the last sale price of a board lot may be used. Where not readily marketable, no market value shall be assigned.

2. for unlisted and debt securities, and precious metals bullion, a value determined as reasonable from published market reports or inter-dealer quotation sheets on the relevant date or last trading day prior to the relevant date, or based on a reasonable yield rate. Where not readily marketable, no market value shall be assigned.

3. for commodity futures contracts, the settlement price on the relevant date or last trading day prior to the relevant date.

4. for money market fixed date repurchases (no borrower call feature), the market price is the price determined by applying the current yield for the security to the term of maturity from the repurchase date. This will permit calculation of any profit or loss based on the market conditions at the reporting date. Exposure due to future changes in market conditions is covered by the margin rate.

5. for money market open repurchases (no borrower call feature), prices are to be determined as of the reporting date or the date the commitment first becomes open, whichever is the later. Market price is to be determined as in 4. and commitment price is to be determined in the same manner using the yield stated in the repurchase commitment.

6. for money market repurchases with borrower call features, the market price is the borrower call price.

5. The Notes and Instructions to Schedule 9 of Form 1

SCHEDULE 9

NOTES AND INSTRUCTIONS

General

1. The purpose of this schedule is to disclose the largest ten issuer positions and precious metal positions that are being relied upon for loan value whether or not a concentration charge applies. **If there are more than ten issuer positions and precious metal positions where a concentration exposure exists, then all such positions must be listed on the schedule.**

2. For the purpose of this schedule, an issuer position must include all classes of securities for an issuer (i.e. all long and short positions in equity, convertibles, debt or other securities of an issuer other than debt securities with a normal margin requirement of 10% or less), a precious metal position must include all certificates and bullion of the particular precious metal (gold, platinum or silver) where:

   - loan value is being extended in a margin account, cash account, delivery against payment account, receipt against payment account; or
   - an inventory position is being held.

3. Securities and precious metals that are required to be in segregation or safekeeping should not be included in the issuer position or precious metal position. Securities and precious metals that have been segregated, but are not required to be, can still be relied on by the Member for loan value, and must be included in the issuer position and precious metal position.

4. For the purpose of this schedule, an amount loaned exposure to "broad based index" (as defined in the General Notes and Definitions) positions may be treated as an amount loaned exposure to each of the individual securities comprising the index basket. These amount loaned exposures may be reported by breaking down the broad based index position into its constituent security positions and adding these constituent security positions to other amount loaned exposures for the same issuer to arrive at the combined amount loaned exposure.

   To calculate the combined amount loaned exposure for each index constituent security position held, sum

   a. the individual security positions held, and

   b. the constituent security position held.

   [For example, if ABC security has a 7.3% weighting in a broad based index, the number of securities that represents 7.3% of the value of the broad based index position shall be reported as the constituent security position.]

4~~5~~. For the purpose of this schedule only, stripped coupons and residuals, [if they are held on a book based system, and are in respect of federal and provincial debt instruments], should be margined at the same rate as the underlying security.

5~~6~~. For short positions, the loan value is the market value of the short position.

Client position

6~~7~~. (a) Client positions are to be reported on a settlement date basis for client accounts including positions in margin accounts, regular cash accounts [when any transaction in the account is outstanding after settlement date] and delivery against payment and receipt against payment accounts [when any transaction in the account is outstanding after settlement date]. Within each client account, security positions and precious metal positions that qualify for a margin offset may be eliminated.

(b) Positions in delivery against payment and receipt against payment accounts with Acceptable Institutions, Acceptable Counterparties, or Regulated Entities resulting from transactions that are outstanding less than ten business days past settlement date are not to be included in the positions reported. If the transaction has been outstanding ten business days or more past settlement **and** is

not confirmed for clearing through an Acceptable Clearing Corporation or not confirmed by the Acceptable Institution, Acceptable Counterparty or Regulated Entity, then the position must be included in the position reported.

Firm's own position

~~7~~8. (a) Firm's own inventory positions are to be reported on a trade date basis, including new issue positions carried in inventory twenty business days after new issue settlement date. All security positions ~~and precious metal positions~~that qualify for a margin offset may be eliminated.

(b) The amount reported must include uncovered stock positions in market-maker accounts.

Amount Loaned

~~8~~9. The client and firm's own positions reported are to be determined based on the combined client/firm's own long or short position that results in the largest amount loaned exposure.

(a) To calculate the combined amount loaned on the long position exposure, combine:

- the loan value of the gross long client position (if any) contained within client margin accounts;
- the weighted market value (calculated pursuant to the weighted market value calculation set out in Schedule 4, Note 9, Cash Accounts Instruction (a)) and/or loan value (calculated pursuant to the loan value calculation set out in Schedule 4, Note 9, Cash Accounts Instruction (b)) of the gross long client position (if any) contained within client cash accounts;
- the market value (calculated pursuant to the market value calculation set out in Schedule 4, Note 9, DAP and RAP Accounts Instruction (a)) and/or loan value (calculated pursuant to the loan value calculation set out in Schedule 4, Note 9, DAP and RAP Accounts Instruction (b)) of the gross long client position (if any) contained within client delivery against payment accounts; and
- the loan value (calculated pursuant to the Notes and Instructions to Schedule 2) of the net long firm's own position (if any).

(b) To calculate the combined amount loaned on the short position exposure, combine

- the market value of the gross short client position (if any) contained within client margin, cash and receipt against payment accounts; and
- the market value of the net short firm's own position (if any).

(c) If the loan value of an issuer position or a precious metal position (net of issuer securities or precious metal position required to be in segregation/safekeeping) does not exceed one-half (one-third in the case of an issuer position or precious metal position which qualifies under either Note ~~9~~10(a) or ~~9~~10(b) below) of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) as most recently calculated, the completion of the column titled "Adjustments in arriving at Amount Loaned" is optional. However, nil should be reflected for the concentration charge.

(d) In determining the amount loaned on either a long, or short position exposure, the following adjustments may be made:

(i) Security positions and precious metal positions that qualify for a margin offset may be excluded, as previously discussed in notes ~~6~~7(a) and ~~7~~8(a);

(ii) Security positions and precious metal positions that represent excess margin in the client's account may be excluded. (Note if the starting point of the calculations is securities or precious metal positions not required to be in segregation/safekeeping, this deduction has already been included in the loan value calculation of Column 6.);

(iii) In the case of margin accounts, 25% of the market value of long positions in any: (a) non-marginable securities or, (b) securities with a margin rate of 100%, in the account may be deducted from the amount loaned calculation, provided that such securities are carried in readily saleable quantities only;

(iv) In the case of cash accounts, 25% of the market value of long positions in any securities whose market value weighting is 0.000 (pursuant to Schedule 4, Note 9, Cash Accounts Instruction (a)) in the account may be deducted from the amount loaned calculation, provided that such securities are carried in readily saleable quantities only;

(v) The amount loaned values of trades made with financial institutions that are not Acceptable Institutions, Acceptable Counterparties or Regulated Entities, if the trades are outstanding less than 10 business days past settlement date, and the trades were confirmed on or before settlement date with a settlement agent that is an Acceptable Institution may be deducted from the amount loaned calculation; and

(vi) Any security positions or precious metal positions in the client's (the "Guarantor") account, which are used to reduce the margin required in another account pursuant to the terms of a guarantee agreement, shall be included in calculating the amount loaned on each security for the purposes of the Guarantor's account.

(e) Amount Loaned is the position exposure (either long or short) with the largest calculated amount loaned.

Concentration Charge

~~9~~10. (a) Where the Amount Loaned reported relates to securities issued by

(i) the Member, or

(ii) a company, where the accounts of a Member are included in the consolidated financial statements and where the assets and revenue of the Member constitute more than 50% of the consolidated assets and 50% of the consolidated revenue, respectively, of the company, based on the amounts shown in the audited consolidated financial statements of the company and the Member for the preceding fiscal year and the total Amount Loaned by a Member on such issuer securities exceeds one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) for which such charge is incurred.

(b) Where the Amount Loaned reported relates to non-marginable securities of an issuer held in a cash account(s), where loan value has been extended pursuant to the weighted market value calculation set out in Schedule 4, Note 9, and the total Amount Loaned by a Member on such issuer securities exceeds one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) for which such charge is incurred.

(c) Where the Amount Loaned reported relates to arm's length marginable securities of an issuer (i.e., securities other than those described in note ~~9~~10(a), or ~~9~~10(b)) or a precious metal position, and the total Amount Loaned by a Member on such issuer securities or precious metal position exceeds two-thirds of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over two-thirds of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long

positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) or precious metal position for which such charge is incurred.

(d) Where:

(i) The Member has incurred a concentration charge for an issuer position under either note ~~9~~10(a) or ~~9~~10(b) or ~~9~~10(c); or

(ii) The Amount Loaned by a Member on any one issuer (other than issuers whose securities may be subject to a concentration charge under either Note ~~9~~10(a) or ~~9~~10(b) above) or a precious metal position exceeds one-half of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated; **and**

(iii) The Amount Loaned on any **other issuer or precious metal position** exceeds one-half (one-third in the case of issuers whose securities may be subject to a concentration charge under either Note ~~9~~10(a) or ~~9~~10(b) above) of the sum of Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4)~~.~~; **then**

(iv) A concentration charge on such other issuer position or precious metal position of an amount equal to 150% of the excess of the Amount Loaned on the **other issuer or precious metal position** over one-half (one-third in the case of issuers whose securities may be subject to a concentration charge under either Note ~~9~~10(a) or ~~9~~10(b) above) of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security(ies) or precious metal position for which such charge is incurred.

(e) For the purpose of calculating the concentration charges as required by notes ~~9~~10(a), ~~9~~10(b), ~~9~~10(c) and ~~9~~10(d) above, such calculations shall be performed for the largest five issuer positions and precious metal positions by Amount Loaned in which there is a concentration exposure.

Other

~~10~~11. (a) Where there is an over exposure in a security or a precious metal position and the concentration charge as referred to above would produce either a capital deficiency or a violation of the Early Warning Rule, the Member must report the over exposure situation to the appropriate Joint Regulatory Body on the date the over exposure first occurs.

(b) A measure of discretion is left with the Joint Regulatory Bodies in dealing with the resolution of concentration situations, particularly as regards to time requirements for correcting any over exposure, as well as whether securities or precious metal positions are carried in "readily saleable quantities".

6. Note 3 of the Notes and Instructions to Schedule 10 of Form 1

3. Net equity for each client is the total value of cash, securities, and other acceptable property owed to the client by the Member less the value of cash, securities, and other acceptable property owed by the client to the Member. In determining net equity, accounts of a client such as cash, margin, short sale, options, futures, foreign currency and Quebec Stock Savings Plans are combined and treated as one account. Accounts such as RRSP, RRIF, RESP, Joint accounts are not combined with other accounts and are treated as separate accounts. Other acceptable property means London Bullion Market Association good delivery bars of gold and silver bullion that are acceptable for margin purposes as defined in ~~Regulation~~Dealer Member Rule 100.2(i)(ii).

Net equity is determined on a client by client basis on either a settlement date basis or trade date basis. Schedule 10 Part A line 1(a) is the aggregate net equity for each client. Negative client net equity, (i.e. total deficiency in net equity owed to the Member by the client) is not included in the aggregate.

For Schedule 10, guarantee/guarantor agreements should not be considered in the calculation of net equity.

The Client Net Equity calculation should include all retail and institutional client accounts, as well as accounts of broker dealers, repos, loan post, broker syndicates, affiliates and other similar accounts.

Subsequent to the implementation of the new methodology for margining equity securities

7. Subsection 100.2(i) of ~~Regulation~~Dealer Member Rule 100 (further amendments)

(i) Precious Metal Certificates and Bullion

(i) On negotiable certificates issued by Canadian chartered banks and trust companies authorized to do business in Canada evidencing an interest in precious metals:

Gold, platinum and silver: the published long position basic margin rate for the metal as approved by a recognized self-regulatory organization, multiplied by the market value of the metal certificate position.

(ii) On bullion purchased by a Dealer Member, for its inventory or on behalf of ~~a~~the client, from the Royal Canadian Mint or a Canadian chartered bank that is a market making member or ordinary member of the London Bullion Market Association (LBMA)~~; and~~ for which a written representation ~~from them~~is provided to the Dealer Member from the Royal Canadian Mint or the Canadian chartered bank stating that the bullion purchased are LBMA good delivery bars:

Gold and silver: the published long position basic margin rate for the metal as approved by a recognized self-regulatory organization, multiplied by the market value of the metal bullion position.

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA
MARGIN REQUIREMENTS FOR PRECIOUS METALS – DEALER MEMBER RULES 100.2, 100.20, AND 400.4, AND FORM 1

CLEAN VERSION OF AMENDMENTS

Prior to the implementation of the new methodology for margining equity securities

1. Subsection 100.2(i) of Dealer Member Rule 100

(i) Precious Metal Certificates and Bullion

(i) Precious Metal Certificates

On negotiable certificates issued by Canadian chartered banks and trust companies authorized to do business in Canada evidencing an interest in precious metals:

Gold: 20% of market value

Platinum: 20% of market value

Silver: 20% of market value

(ii) On bullion purchased by a Dealer Member, for its inventory or on behalf of the client, from the Royal Canadian Mint or a Canadian chartered bank that is a market making member or ordinary member of the London Bullion Market Association (LBMA) for which a written representation is provided to the Dealer Member from the Royal Canadian Mint or the Canadian chartered bank stating that the bullion purchased are LBMA good delivery bars:

Gold: 20% of market value

Silver: 20% of market value

2. Section 100.20 of Dealer Member Rule 100

100.20 Concentration of Securities

(a) For the purposes of this paragraph:

(i) "Amount Loaned" includes:

(A) In respect of long positions:

1. The loan value of long securities and precious metals in margin accounts on settlement date;

2. The loan value of long securities and precious metals in a regular settlement cash account when any portion of the account is outstanding after settlement date;

3. The loan value of long securities and precious metals in a delivery against payment cash account when such securities and precious metals are outstanding after settlement date;

4. The loan value of long inventory positions on trade date; and

5. The loan value of new issues carried in inventory 20 business days after new issue settlement date.

(B) In respect of short positions:

1. The market value of short positions in margin accounts on settlement date;

2. The market value of short positions in a regular settlement cash account when any portion of the account is outstanding after settlement date;

3. The market value of short positions in a delivery against payment cash account when such securities are outstanding after settlement date; and

4. The market value of short inventory securities on trade date.

(ii) "Security" includes:

(A) all long and short positions in equity and convertible securities of an issuer; and

(B) all long and short positions in debt or other securities, other than debt securities with a margin requirement of 10% or less.

(iii) “Precious metal” includes:

(A) long positions in certificates evidencing an interest in gold, platinum or silver that are acceptable for margin purposes as defined in Dealer Member Rule 100.2(i)(i); and

(B) long positions in London Bullion Market Association (LBMA) gold or silver good delivery bars that are acceptable for margin purposes as defined in Dealer Member Rule 100.2(i)(ii).

(iv) "Risk Adjusted Capital" means a Dealer Member’s risk adjusted capital as calculated before the securities concentration charge (Statement B, Line 25 on Form 1) plus minimum capital (Statement B, Line 6 of Form 1).

(b) For the purposes of calculating the amount loaned:

(i) Security positions that qualify for margin offsets pursuant to Rule 100, as applicable, may be netted;

(ii) Separate calculations must be made for long security positions and short security positions. The greater of the long or short position must be used in the calculations below;

(iii) In calculating the total amount loaned for each customer on long (or short) positions on any one security, there may be deducted from the loan value (market value) of the long (or short) position:

(A) Any excess margin in the customer’s account; and

(B) 25% of the market value of long positions in any non-marginable securities in the account provided such securities are carried in readily saleable quantities only.

(iv) In calculating the amount loaned on long positions for a customer, where such customer (the "guarantor") has guaranteed another customer account (the "guaranteed account"), any securities and precious metal in the guarantor’s account which are used to reduce margin required in the guaranteed account in accordance with Rule 100.14, shall be included in calculating the amount loaned on each security and precious metal for the purposes of the guarantor’s account;

(v) The values of trades made with acceptable institutions, acceptable counterparties and regulated entities that are outstanding 10 business days past settlement date and are:

(A) Not confirmed for clearing through a recognized clearing corporation; or

(B) Not confirmed by the acceptable institution, acceptable counterparty or a regulated entity,

Must be included in the calculation below in the same manner as delivery against payment cash accounts; and

(vi) The value of trades made with a financial institution that is not an acceptable institution, acceptable counterparty or regulated entity, outstanding less than 10 business days past settlement date, may be excluded from the calculation below if each such trade was confirmed on or before settlement date with a settlement agent that is an acceptable institution or acceptable counterparty.

(c) (i) Subject to subclause (ii) below, where the total amount loaned by a Dealer Member on any one security or precious metal for all customers and/or inventory accounts, as calculated hereunder, exceeds an amount equal to two-thirds of the sum of the Dealer Member’s risk adjusted capital,

before securities concentration charge and minimum capital, as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned over two-thirds of the sum of the Dealer Member's risk adjusted capital, before securities concentration charge and minimum capital (Statement B, Line 6 of Form 1), shall be deducted from the risk adjusted capital of the Dealer Member. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security or precious metal for which the charge is incurred.

(ii) Notwithstanding subclause (i) above, where the loaned security issued by

(A) The Dealer Member, or

(B) A company, where the accounts of a Dealer Member are included in the consolidated financial statements and where the assets and revenues of the Dealer Member constitute more than 50% of the consolidated assets and 50% of the consolidated revenue, respectively, the company, based on the amounts shown in the audited consolidated financial statements of the company and the Dealer Member for the preceding fiscal year,

And the total amount loaned by the Dealer Member on any one such security, as calculated hereunder, exceeds an amount equal to one third of the Dealer Member's risk adjusted capital before securities concentration charge plus minimum capital as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned over one-third of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital shall be deducted from the risk adjusted capital of the Dealer Member.

(d) Where the total amount loaned by a Dealer Member on any one security or precious metal for all customers and/or inventory accounts as calculated hereunder exceeds an amount equal to one half of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital as most recently calculated, and the amount loaned on any other security or precious metal which is being carried by a Dealer Member for all customers and/or inventory accounts as calculated hereunder, exceeds an amount equal to one-half of the sum of the Dealer Member's risk adjusted capital before securities concentration charge and minimum capital as most recently calculated for more than five business days, an amount equal to 150% of the excess of the amount loaned on the other security or precious metal over one-half of the Dealer Member's risk adjusted capital shall be deducted from the risk adjusted capital of the Dealer Member. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security or precious metal for which the charge is incurred.

(e) For the purposes of calculating the concentration charges as required by paragraphs (c) and (d) above, such calculations shall be performed for the first five securities and precious metals in which there is a concentration.

(f) Where the capital charges described in subsections (c) and (d) would result in a capital deficiency or a violation of the rule permitting designation in early warning pursuant to Rule 30, the Dealer Member must report the over-concentration situation to the appropriate Joint Regulatory Bodies on the date the over-concentration first occurs.

3. Subsection 400.4(i) of Dealer Member Rule 400

400.4. Amounts Required - The minimum amount of insurance to be maintained for each Clause under Rule 400.2 shall be the greater of:

(a) $500,000, or, in the case of an Introducing Type 1 arrangement, $200,000; and

(b) 1% of the base amount (as defined herein), or in the case of Introducing Types 1 and 2 arrangements, ½% of the base amount;

provided that for each Clause such minimum amount need not exceed $25,000,000.

For the purposes of this Rule 400, the term "base amount" shall mean the greater of:

(i) The aggregate of net equity for each customer determined as the total value of cash, securities, and other acceptable property (as defined in Schedule 10 of Form 1) owed to the customers by the Dealer Member less the total value of cash, securities, and other acceptable property (as defined in Schedule 10 of Form 1) owed by the customers to the Dealer Member; and

(ii) The aggregate of total liquid assets and total other allowable assets of the Dealer Member determined in accordance with Statement A of Form 1.

4. The General Notes and Definitions to Form 1

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

For London Bullion Market Association (LBMA) gold and silver good delivery bars, means those entities considered suitable to hold these bars on behalf of a Member, for both inventory and client positions, without capital penalty. These entities must:

- be a market making member, ordinary member or associate member of the LBMA;
- be on the SROs list of entities considered suitable to hold LBMA gold and silver good delivery bars; and
- have executed a written precious metals storage agreement with the Member, outlining the terms upon which such LBMA good delivery bars are deposited. The terms must include provisions that no use or disposition of these bars shall be made without the written prior consent of the Member, and these bars can be delivered to the Member promptly on demand. The precious metals storage agreement must provide equivalent rights and protection to the Member as the standard securities custodial agreement.

The entities are as follows:

1. Depositories and Clearing Agencies

   Any securities depositories or clearing agency operating a central system for handling securities or equivalent book-based entries or for clearing of securities or derivatives transactions that is subject to legislation and oversight by a central or regional government authority in the country of operation. The legislation or oversight regime must provide for or recognize the securities depository's or clearing agency's powers of compliance and enforcement over its members or participants. The Joint Regulatory Bodies will maintain and regularly update a list of those depositories and clearing agencies that comply with these criteria.

2. (a) Acceptable Institutions which in their normal course of business offer custodial security services; or

   (b) Subsidiaries of Acceptable Institutions provided that each such subsidiary, together with the Acceptable Institution, has entered into a custodial agreement with the member containing a legally enforceable indemnity by the Acceptable Institution in favour of the Member covering all losses, claims, damages, costs and liabilities in respect of securities and other property held for the Member and its clients at the subsidiary's location.

3. Acceptable Counterparties - with respect to security positions maintained as a book entry of securities issued by the Acceptable Counterparty and for which the Acceptable Counterparty is unconditionally responsible.

4. Banks and Trust Companies otherwise classified as Acceptable Counterparties - with respect to securities for which they act as transfer agent and for which custody services are not being provided (in such case, a written custody agreement is not required).

5. Mutual Funds or their Agents - with respect to security positions maintained as a book entry of securities issued by the mutual fund and for which the mutual fund is unconditionally responsible.

6. Regulated entities.

7. Foreign institutions and securities dealers that satisfy the following criteria:

(a) the paid-up capital and surplus according to its most recent audited balance sheet is in excess of Cdn. $150 million as evidenced by the audited financial statements of such entity;

(b) in respect of which a foreign custodian certificate has been completed and signed in the prescribed form by the Member's board of directors or authorized committee thereof;

provided that:

(c) a formal application in respect of each such foreign location is made by the Member to the relevant joint regulatory authority in the form of a letter enclosing the financial statements and certificate described above; and

(d) the Member reviews each such foreign location annually and files a foreign custodian certificate with the appropriate joint regulatory authority annually.

and such other locations which have been approved as acceptable securities locations by the Joint Regulatory Body having prime jurisdiction over the Member.

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(g) **"market value of securities"** means:

1. for listed securities, the last bid price of a long security and, correspondingly, the last ask price of a short security, as shown on the exchange quotation sheets as of the close of business on the relevant date or last trading date prior to the relevant date, as the case may be, subject to an appropriate adjustment where an unusually large or unusually small quantity of securities is being valued. If not available, the last sale price of a board lot may be used. Where not readily marketable, no market value shall be assigned.

2. for unlisted and debt securities, and precious metals bullion, a value determined as reasonable from published market reports or inter-dealer quotation sheets on the relevant date or last trading day prior to the relevant date, or based on a reasonable yield rate. Where not readily marketable, no market value shall be assigned.

3. for commodity futures contracts, the settlement price on the relevant date or last trading day prior to the relevant date.

4. for money market fixed date repurchases (no borrower call feature), the market price is the price determined by applying the current yield for the security to the term of maturity from the repurchase date. This will permit calculation of any profit or loss based on the market conditions at the reporting date. Exposure due to future changes in market conditions is covered by the margin rate.

5. for money market open repurchases (no borrower call feature), prices are to be determined as of the reporting date or the date the commitment first becomes open, whichever is the later. Market price is to be determined as in 4. and commitment price is to be determined in the same manner using the yield stated in the repurchase commitment.

6. for money market repurchases with borrower call features, the market price is the borrower call price.

5. The Notes and Instructions to Schedule 9 of Form 1

SCHEDULE 9

NOTES AND INSTRUCTIONS

General

1. The purpose of this schedule is to disclose the largest ten issuer positions and precious metal positions that are being relied upon for loan value whether or not a concentration charge applies. **If there are more than ten issuer positions and precious metal positions where a concentration exposure exists, then all such positions must be listed on the schedule.**

2. For the purpose of this schedule, an issuer position must include all classes of securities for an issuer (i.e. all long and short positions in equity, convertibles, debt or other securities of an issuer other than debt securities with a normal margin requirement of 10% or less), a precious metal position must include all certificates and bullion of the particular precious metal (gold, platinum or silver) where:

   - loan value is being extended in a margin account, cash account, delivery against payment account, receipt against payment account; or
   - an inventory position is being held.

3. Securities and precious metals that are required to be in segregation or safekeeping should not be included in the issuer position or precious metal position. Securities and precious metals that have been segregated, but are not required to be, can still be relied on by the Member for loan value, and must be included in the issuer position and precious metal position.

4. For the purpose of this schedule, an amount loaned exposure to “broad based index” (as defined in the General Notes and Definitions) positions may be treated as an amount loaned exposure to each of the individual securities comprising the index basket. These amount loaned exposures may be reported by breaking down the broad based index position into its constituent security positions and adding these constituent security positions to other amount loaned exposures for the same issuer to arrive at the combined amount loaned exposure.

   To calculate the combined amount loaned exposure for each index constituent security position held, sum

   a. the individual security positions held, and

   b. the constituent security position held.

   [For example, if ABC security has a 7.3% weighting in a broad based index, the number of securities that represents 7.3% of the value of the broad based index position shall be reported as the constituent security position.]

5. For the purpose of this schedule only, stripped coupons and residuals, [if they are held on a book based system, and are in respect of federal and provincial debt instruments], should be margined at the same rate as the underlying security.

6. For short positions, the loan value is the market value of the short position.

Client position

7. (a) Client positions are to be reported on a settlement date basis for client accounts including positions in margin accounts, regular cash accounts [when any transaction in the account is outstanding after settlement date] and delivery against payment and receipt against payment accounts [when any transaction in the account is outstanding after settlement date]. Within each client account, security positions and precious metal positions that qualify for a margin offset may be eliminated.

   (b) Positions in delivery against payment and receipt against payment accounts with Acceptable Institutions, Acceptable Counterparties, or Regulated Entities resulting from transactions that are outstanding less than ten business days past settlement date are not to be included in the positions reported. If the transaction has been outstanding ten business days or more past settlement **and** is

not confirmed for clearing through an Acceptable Clearing Corporation or not confirmed by the Acceptable Institution, Acceptable Counterparty or Regulated Entity, then the position must be included in the position reported.

Firm's own position

8. (a) Firm's own inventory positions are to be reported on a trade date basis, including new issue positions carried in inventory twenty business days after new issue settlement date. All security positions that qualify for a margin offset may be eliminated.

(b) The amount reported must include uncovered stock positions in market-maker accounts.

Amount Loaned

9. The client and firm's own positions reported are to be determined based on the combined client/firm's own long or short position that results in the largest amount loaned exposure.

(a) To calculate the combined amount loaned on the long position exposure, combine:

- the loan value of the gross long client position (if any) contained within client margin accounts;
- the weighted market value (calculated pursuant to the weighted market value calculation set out in Schedule 4, Note 9, Cash Accounts Instruction (a)) and/or loan value (calculated pursuant to the loan value calculation set out in Schedule 4, Note 9, Cash Accounts Instruction (b)) of the gross long client position (if any) contained within client cash accounts;
- the market value (calculated pursuant to the market value calculation set out in Schedule 4, Note 9, DAP and RAP Accounts Instruction (a)) and/or loan value (calculated pursuant to the loan value calculation set out in Schedule 4, Note 9, DAP and RAP Accounts Instruction (b)) of the gross long client position (if any) contained within client delivery against payment accounts; and
- the loan value (calculated pursuant to the Notes and Instructions to Schedule 2) of the net long firm's own position (if any).

(b) To calculate the combined amount loaned on the short position exposure, combine

- the market value of the gross short client position (if any) contained within client margin, cash and receipt against payment accounts; and
- the market value of the net short firm's own position (if any).

(c) If the loan value of an issuer position or a precious metal position (net of issuer securities or precious metal position required to be in segregation/safekeeping) does not exceed one-half (one-third in the case of an issuer position or precious metal position which qualifies under either Note 10(a) or 10(b) below) of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) as most recently calculated, the completion of the column titled "Adjustments in arriving at Amount Loaned" is optional. However, nil should be reflected for the concentration charge.

(d) In determining the amount loaned on either a long, or short position exposure, the following adjustments may be made:

(i) Security positions and precious metal positions that qualify for a margin offset may be excluded, as previously discussed in notes 7(a) and 8(a);

(ii) Security positions and precious metal positions that represent excess margin in the client's account may be excluded. (Note if the starting point of the calculations is securities or precious metal positions not required to be in segregation/safekeeping, this deduction has already been included in the loan value calculation of Column 6.);

(iii) In the case of margin accounts, 25% of the market value of long positions in any: (a) non-marginable securities or, (b) securities with a margin rate of 100%, in the account may be deducted from the amount loaned calculation, provided that such securities are carried in readily saleable quantities only;

(iv) In the case of cash accounts, 25% of the market value of long positions in any securities whose market value weighting is 0.000 (pursuant to Schedule 4, Note 9, Cash Accounts Instruction (a)) in the account may be deducted from the amount loaned calculation, provided that such securities are carried in readily saleable quantities only;

(v) The amount loaned values of trades made with financial institutions that are not Acceptable Institutions, Acceptable Counterparties or Regulated Entities, if the trades are outstanding less than 10 business days past settlement date, and the trades were confirmed on or before settlement date with a settlement agent that is an Acceptable Institution may be deducted from the amount loaned calculation; and

(vi) Any security positions or precious metal positions in the client's (the "Guarantor") account, which are used to reduce the margin required in another account pursuant to the terms of a guarantee agreement, shall be included in calculating the amount loaned on each security for the purposes of the Guarantor's account.

(e) Amount Loaned is the position exposure (either long or short) with the largest calculated amount loaned.

Concentration Charge

10. (a) Where the Amount Loaned reported relates to securities issued by

(i) the Member, or

(ii) a company, where the accounts of a Member are included in the consolidated financial statements and where the assets and revenue of the Member constitute more than 50% of the consolidated assets and 50% of the consolidated revenue, respectively, of the company, based on the amounts shown in the audited consolidated financial statements of the company and the Member for the preceding fiscal year and the total Amount Loaned by a Member on such issuer securities exceeds one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) for which such charge is incurred.

(b) Where the Amount Loaned reported relates to non-marginable securities of an issuer held in a cash account(s), where loan value has been extended pursuant to the weighted market value calculation set out in Schedule 4, Note 9, and the total Amount Loaned by a Member on such issuer securities exceeds one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over one-third of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) for which such charge is incurred.

(c) Where the Amount Loaned reported relates to arm's length marginable securities of an issuer (i.e., securities other than those described in note 10(a), or 10(b)) or a precious metal position, and the total Amount Loaned by a Member on such issuer securities or precious metal position exceeds two-thirds of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated, a concentration charge of an amount equal to 150% of the excess of the Amount Loaned over two-thirds of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long

positions, the concentration charge as calculated herein shall not exceed the loan value of the issuer security(ies) or precious metal position for which such charge is incurred.

(d) Where:

(i) The Member has incurred a concentration charge for an issuer position under either note 10(a) or 10(b) or 10(c); or

(ii) The Amount Loaned by a Member on any one issuer (other than issuers whose securities may be subject to a concentration charge under either Note 10(a) or 10(b) above) or a precious metal position exceeds one-half of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4), as most recently calculated; **and**

(iii) The Amount Loaned on any **other issuer or precious metal position** exceeds one-half (one-third in the case of issuers whose securities may be subject to a concentration charge under either Note 10(a) or 10(b) above) of the sum of Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4); **then**

(iv) A concentration charge on such other issuer position or precious metal position of an amount equal to 150% of the excess of the Amount Loaned on the **other issuer or precious metal position** over one-half (one-third in the case of issuers whose securities may be subject to a concentration charge under either Note 10(a) or 10(b) above) of the sum of the Member's Risk Adjusted Capital before securities concentration charge and minimum capital (Stmt. B, line 4) is required unless the excess is cleared within five business days of the date it first occurs. For long positions, the concentration charge as calculated herein shall not exceed the loan value of the security(ies) or precious metal position for which such charge is incurred.

(e) For the purpose of calculating the concentration charges as required by notes 10(a), 10(b), 10(c) and 10(d) above, such calculations shall be performed for the largest five issuer positions and precious metal positions by Amount Loaned in which there is a concentration exposure.

Other

11. (a) Where there is an over exposure in a security or a precious metal position and the concentration charge as referred to above would produce either a capital deficiency or a violation of the Early Warning Rule, the Member must report the over exposure situation to the appropriate Joint Regulatory Body on the date the over exposure first occurs.

(b) A measure of discretion is left with the Joint Regulatory Bodies in dealing with the resolution of concentration situations, particularly as regards to time requirements for correcting any over exposure, as well as whether securities or precious metal positions are carried in "readily saleable quantities".

6. Note 3 of the Notes and Instructions to Schedule 10 of Form 1

3. Net equity for each client is the total value of cash, securities, and other acceptable property owed to the client by the Member less the value of cash, securities, and other acceptable property owed by the client to the Member. In determining net equity, accounts of a client such as cash, margin, short sale, options, futures, foreign currency and Quebec Stock Savings Plans are combined and treated as one account. Accounts such as RRSP, RRIF, RESP, Joint accounts are not combined with other accounts and are treated as separate accounts. Other acceptable property means London Bullion Market Association good delivery bars of gold and silver bullion that are acceptable for margin purposes as defined in Dealer Member Rule 100.2(i)(ii).

Net equity is determined on a client by client basis on either a settlement date basis or trade date basis. Schedule 10 Part A line 1(a) is the aggregate net equity for each client. Negative client net equity, (i.e. total deficiency in net equity owed to the Member by the client) is not included in the aggregate.

For Schedule 10, guarantee/guarantor agreements should not be considered in the calculation of net equity.

The Client Net Equity calculation should include all retail and institutional client accounts, as well as accounts of broker dealers, repos, loan post, broker syndicates, affiliates and other similar accounts.

Subsequent to the implementation of the new methodology for margining equity securities

7. Subsection 100.2(i) of Dealer Member Rule 100 (further amendments)

(i) Precious Metal Certificates and Bullion

(i) On negotiable certificates issued by Canadian chartered banks and trust companies authorized to do business in Canada evidencing an interest in precious metals:

Gold, platinum and silver: the published long position basic margin rate for the metal as approved by a recognized self-regulatory organization, multiplied by the market value of the metal certificate position.

(ii) On bullion purchased by a Dealer Member, for its inventory or on behalf of the client, from the Royal Canadian Mint or a Canadian chartered bank that is a market making member or ordinary member of the London Bullion Market Association (LBMA) for which a written representation is provided to the Dealer Member from the Royal Canadian Mint or the Canadian chartered bank stating that the bullion purchased are LBMA good delivery bars:

Gold and silver: the published long position basic margin rate for the metal as approved by a recognized self-regulatory organization, multiplied by the market value of the metal bullion position.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Arjuna Corporation

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., clause 213(3)(b).

May 8, 2009

Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, ON M5H 3Y4

Attention: Carol E. Derk/Ruth Liu

Dear Sirs/Medames:

RE: Arjuna Corporation (the "Applicant")
Application pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee

Application No. 2008/0676

Further to your application dated September 26, 2008 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of Arjuna BRICA Fund and such other funds as the Applicant may establish from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the Bank Act (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Arjuna BRICA Fund and such other funds which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

James E.A. Turner

Wendell S. Wigle

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