

The Ontario Securities Commission

# OSC Bulletin

January 29, 2010

Volume 33, Issue 4

(2010), 33 OSCB

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

**The Ontario Securities Commission**

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Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

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## Chapter 1

# Notices / News Releases

### 1.1 Notices

### SCHEDULED OSC HEARINGS

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

**JANUARY 29, 2010**

#### CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room  
 Ontario Securities Commission  
 Cadillac Fairview Tower  
 Suite 1700, Box 55  
 20 Queen Street West  
 Toronto, Ontario  
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Late Mail depository on the 19<sup>th</sup> Floor until 6:00 p.m.

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Paulette L. Kennedy	—	PLK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

February 1-12, 2010

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: PJL/PLK

February 2, 2010

2:30 p.m.

**Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya**

s. 127

C. Price in attendance for Staff

Panel: DLK

February 3, 2010

9:00 a.m.

**Peter Robinson and Platinum International Investments Inc.**

s. 127

M. Boswell in attendance for Staff

Panel: DLK

February 3, 2010

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: DLK

**Notices / News Releases**

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February 3, 2010 11:00 a.m.	<b>Paul Iannicca</b> s. 127 H. Craig in attendance for Staff Panel: DLK	February 22-24, 2010 10:00 a.m.	<b>Barry Landen</b> s. 127 H. Craig in attendance for Staff Panel: TBA
February 5, 2010 10:00 a.m.	<b>Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, John C. McArthur, Daryl Renneberg and Danny De Melo</b> s. 127 A. Clark in attendance for Staff Panel: CSP	February 25, 2010 10:00 a.m.	<b>Tulsiani Investments Inc. and Sunil Tulsiani</b> s. 127 J. Superina in attendance for Staff Panel: JEAT
February 8-12, 2010 10:00 a.m.	<b>Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance</b> s. 127 J. Feasby in attendance for Staff Panel: DLK/MCH	March 1-8, 2010 10:00 a.m.	<b>Teodosio Vincent Pangia</b> s. 127 J. Feasby in attendance for Staff Panel: TBA
February 16, 2010 9:00 a.m.	<b>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</b> s. 127 S. Kushneryk in attendance for Staff Panel: JEAT	March 3, 2010 10:00 a.m.	<b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b> s. 127 S. Horgan in attendance for Staff Panel: TBA
February 17 – March 1, 2010 10:00 a.m.	<b>M P Global Financial Ltd., and Joe Feng Deng</b> s. 127(1) M. Britton in attendance for Staff Panel: DLK/MCH	March 10, 2010 10:00 a.m.	<b>Global Energy Group, Ltd. And New Gold Limited Partnerships</b> s. 127 H. Craig in attendance for Staff Panel: TBA
February 17, 2010 10:00 a.m.	<b>Maple Leaf Investment Fund Corp. and Joe Henry Chau</b> s. 127 J. Superina in attendance for Staff Panel: TBA	March 22, 2010 10:00 a.m.	<b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b> s. 127 M. Britton/J.Feasby in attendance for Staff Panel: JDC/KJK

March 25-26, 2010 10:00 a.m.	<b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b>	April 13, 2010 2:30 p.m.	<b>Access Automation LLC, Access Fund Management, LLC, Access Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies</b>
	s. 127 H. Craig in attendance for Staff Panel: TBA		s. 127 M. Adams in attendance for Staff Panel: TBA
March 25-26, 2010 10:00 a.m.	<b>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, Angela Curry and Prosporex Forex SPV Trust</b>	May 3-28, 2010 10:00 a.m.	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork</b>
	s. 127 H. Daley in attendance for Staff Panel: TBA	May 31 – June 4, 2010 10:00 a.m.	s. 127 S. Kushneryk in attendance for Staff Panel: TBA <b>Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b> s. 127(1) and (5) J. Feasby in attendance for Staff Panel: TBA
March 29; March 31 – April 1; April 6-9, 2010 10:00 a.m.	<b>Shane Suman and Monie Rahman</b>	June 21, 2010 10:00 a.m.	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Chris Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc. and Sylvan Blackett</b>
	s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK		s. 127(1) and (5) A. Heydon in attendance for Staff Panel: TBA
March 30, 2010 2:30 p.m. April 12, 2010 10:00 a.m.	<b>Abel Da Silva</b>	June 28, 2010 10:00 a.m.	<b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b>
	s. 127 M. Boswell in attendance for Staff Panel: DLK		s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: TBA

<p>June 29, 2010 10:00 a.m.</p>	<p><b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b></p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p><b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
<p>March 7, 2011 10:00 a.m.</p>	<p><b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p><b>Gregory Galanis</b></p> <p>s. 127</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
<p>TBA</p>	<p><b>Yama Abdullah Yaqeen</b></p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p><b>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</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>
<p>TBA</p>	<p><b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b></p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p><b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b></p> <p>s. 127(1) and 127.1</p> <p>J. Superina, A. Clark in attendance for Staff</p> <p>Panel: TBA</p>
<p>TBA</p>	<p><b>Frank Dunn, Douglas Beatty, Michael Gollogly</b></p> <p>s. 127</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p>TBA</p>
<p>TBA</p>	<p><b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b></p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p>TBA</p>



TBA	<p><b>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</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</b></p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b></p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Coventree Inc., Geoffrey Cornish and Dean Tai</b></p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b></p> <p>s. 127 and 127.1</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>IBK Capital Corp. and William F. White</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: JEAT/CSP/SA</p>

TBA            **Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk**

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: TBA

TBA            **Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants 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 and 127.1

H. Craig 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**

**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**

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

1.3 News Releases

1.3.1 Canadian Securities Regulators Announce New Insider Reporting Regime

FOR IMMEDIATE RELEASE  
January 22, 2010

**CANADIAN SECURITIES REGULATORS  
ANNOUNCE NEW INSIDER REPORTING REGIME**

**Vancouver** – The Canadian Securities Administrators (CSA) published today advance notice of adoption of a new insider reporting regime that aims to streamline how insiders report their securities transactions to the public.

National Instrument 55-104 Insider Reporting Requirements and Exemptions, the companion policy, and related amendments set out the framework and guidelines for a new insider reporting regime that among other things:

- reduces the number of insiders required to file insider reports to a core group that have the greatest access to material undisclosed information and the greatest influence over the reporting issuer;
- shortens the reporting deadline for subsequent reports from 10 days to five calendar days after the trade for most transactions, following a six-month transition period;
- simplifies and brings consistency to stock-based compensation reporting requirements;
- gives issuers the option to file reports on stock-based compensation for insiders; and
- establishes a more focused and more timely insider reporting system, which should benefit investors and other market participants who use the system.

“We expect the new insider reporting regime will make it easier for issuers and insiders to understand their obligations, while promoting timely and effective compliance,” said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “It should also provide more useful and consistent information to investors and others who assess insider activity.”

The new regime generally consolidates the main insider reporting requirements and exemptions in a single national instrument, except in Ontario where the main insider reporting requirements will remain in the Ontario Securities Act. Nevertheless, the substance of the requirements for insider reporting will be the same across the CSA jurisdictions. Subject to obtaining all necessary ministerial or governmental approvals, the new insider reporting regime will take effect on April 30, 2010.

The published materials are available on the websites of various CSA members.

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

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**Notices / News Releases**

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

**1.4.1 IMG International Inc. et al.**

**FOR IMMEDIATE RELEASE  
January 25, 2010**

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

**AND**

**IN THE MATTER OF  
IMG INTERNATIONAL INC.,  
INVESTORS MARKETING GROUP  
INTERNATIONAL INC. AND MICHAEL SMITH**

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) pursuant to section 127(8) that the Temporary Order is extended to the end of the hearing on the merits; and (2) the hearing is adjourned to January 28, 2010 at 10:00 a.m.

A copy of the Order dated January 22, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:

Wendy Dey  
Director, Communications & Public Affairs  
416-593-8120

Theresa Ebden  
Senior Communications Specialist  
416-593-8307

Robert Merrick  
Senior Communications Specialist  
416-593-2315

For investor inquiries:

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

**1.4.2 Nest Acquisitions and Mergers and Caroline Frayssignes**

**FOR IMMEDIATE RELEASE  
January 25, 2010**

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

**AND**

**IN THE MATTER OF  
NEST ACQUISITIONS AND MERGERS AND  
CAROLINE FRAYSSIGNES**

**TORONTO** – The Commission issued an Order in the above named matter which provides that (1) pursuant to section 127(8) that the Temporary Order is extended to the end of the hearing on the merits; and (2) the hearing is adjourned to January 28, 2010 at 10:00 a.m.

A copy of the Order dated January 22, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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1-877-785-1555 (Toll Free)

**1.4.3 IBK Capital Corp. and William F. White**

**FOR IMMEDIATE RELEASE  
January 26, 2010**

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

**AND**

**IN THE MATTER OF  
IBK CAPITAL CORP. AND WILLIAM F. WHITE**

**TORONTO** – The Commission issued an Order in the above named matter which provides that a pre-hearing conference shall take place on April 8, 2010 at 10:00 a.m.

A copy of the Order dated January 20, 2010 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
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## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Uranium Limited

#### Headnote

National Instrument 81-106 Investment Fund Continuous Disclosure – Revocation and replacement of existing decision – Exemption from requirements to (i) prepare financial statements using Canadian generally accepted accounting principles; (ii) audit those financial statements using Canadian generally accepted auditing standards; (iii) review interim financial statements using standards in Handbook Section 7050; (iv) have an auditor's report signed by a Canadian auditor; and (v) calculate net asset value weekly – Issuer is an existing investment fund in the Channel Islands that already produces financial statements in accordance with International Financial Reporting Standards and its auditors in the Channel Islands audit the financial statements using International Standards on Auditing – Portfolio is comprised of uranium. Net asset value cannot be calculated weekly because the price of uranium (UF 6 ) is published monthly – Issuer listed its securities on the TSX and is a reporting issuer in Ontario.

#### Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.6, 2.7, 2.8, 14.2(3).  
Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

January 18, 2010

#### IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO

AND

#### IN THE MATTER OF URANIUM LIMITED (the "FILER")

#### DECISION

#### Background

The Ontario Securities Commission (the "Decision Maker") has received an application from the Filer, formerly known as Nufcor Uranium Limited, for a decision under the securities legislation of Ontario (the "Legislation") granting the following:

#### *Accounting and Auditing Relief*

- relief to use International Financial Reporting Standards ("IFRS"), rather than Canadian generally accepted accounting principles ("GAAP")

in preparing the Filer's financial statements as required by section 2.6 of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106");

- relief to use International Standards on Auditing ("ISA") rather than Canadian generally accepted auditing standards ("GAAS") in auditing the Filer's financial statements as required by section 2.7 of NI 81-106;
- relief to allow reviews of interim financial statements to be conducted in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board rather than Section 7050 *Auditor Review of Interim Financial Statements* in the Handbook;
- relief to allow PricewaterhouseCoopers CI LLP, Chartered Accountants, Guernsey Channel Islands ("PwC CI") to prepare and sign the Filer's audit reports, once the Filer is a reporting issuer, rather than a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada and that meets the professional standards of that jurisdiction, as required by section 2.8 of NI 81-106;

(together, the "Accounting and Auditing Relief")

#### *NAV Frequency Relief*

- relief to calculate the net asset value ("NAV") of the Filer on a monthly basis rather than on a weekly basis as required by Section 14.2(3) of NI 81-106 (the "NAV Frequency Relief"); and

#### *Revocation Relief*

- revocation of the Decision Document granted by the Decision Maker on November 5, 2008 in favour of Nufcor Uranium Limited (the "Existing Decision") (the "Revocation Relief").

#### Interpretation

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

## Representations

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

1. The Filer is incorporated under the Companies (Guernsey) Laws 1994 to 2001 and registered on June 28, 2006. The Filer's registered office is located in Guernsey, Channel Islands.
2. The Filer is a non-redeemable investment fund created to invest substantially all of its assets in U308 and UF6 (collectively, "Uranium Assets" or "Uranium"). The investment objective of the Filer is to provide long-term capital appreciation by buying and holding Uranium Assets. The strategy of the Filer is to acquire long-term holdings of Uranium and not to actively trade or speculate with regard to short-term changes in the price of Uranium. The Filer uses the funds that it raises from the public to purchase physical quantities of Uranium. The Filer also lends some of its Uranium Assets to third parties and uses the proceeds of such loans to meet a portion of its operating expenses. The Filer does not invest in securities of other issuers, investment funds or mutual funds, or otherwise invest in securities or commodity futures contracts.
3. The ordinary shares of the Filer are admitted for trading on AIM of the London Stock Exchange plc under the trading symbol "UML".
4. The Filer filed a preliminary prospectus dated June 27, 2008 (the "Preliminary Prospectus") in each of the provinces and territories of Canada and applied to list its securities on the Toronto Stock Exchange (the "TSX").
5. On or about September 17, 2008, the Filer's Board of Directors, pursuant to advice from its banking syndicate, led by Canaccord Capital Corporation and including Deutsche Bank Securities Limited, CIBC World Markets, BMO Capital Markets, TD Securities and GMP Securities, decided to discontinue the initial public offering of the ordinary shares of the Filer in each of the provinces and territories of Canada (the "Offering"), as described in the Preliminary Prospectus, on account of market conditions and movements in the price of uranium affecting the Filer's net asset value and in turn, affecting the Filer's ability to issue ordinary shares under the Offering.
6. On October 7, 2008, the Filer filed a notice of withdrawal of the Preliminary Prospectus with the Decision Maker. The Filer did not withdraw its application to list its securities on the TSX.
7. The Filer received conditional listing approval to list its securities on the TSX. The Filer satisfied certain listing conditions, including a requirement that the Filer file on SEDAR a current annual information form ("AIF") in accordance with the requirements of Part 9 of NI 81-106 and form requirements in Form 81-101F2 *Contents of Annual Information Form*, and its securities were listed on the TSX on December 30, 2008. The Filer's securities currently trade on the TSX under the symbol "UML".
8. Upon the listing of its securities on the TSX, the Filer became a reporting issuer in Ontario and is subject to the continuous disclosure obligations imposed on reporting issuers in NI 81-106, and the requirements of National Instrument 81-107 *Independent Review Committee for Investment Funds*.
9. The Filer's representation in the Existing Decision that it would become a reporting issuer in each of the provinces and territories of Canada was not realised.
10. The Filer is registered and regulated under the laws of the United Kingdom and/or Guernsey and is subject to a regulatory regime that is similar to that which exists in Canada. As noted above, the Filer was incorporated under Guernsey Law. From a corporate law perspective, the level of skill and care required of a director under Guernsey Law is similar to that required of directors of companies incorporated under the *Canada Business Corporation Act*.
11. The Filer was contractually obligated to change its name following the termination of its advisory services agreement with Nufcor Capital Limited and Nufcor International Limited on June 24, 2009. Prior to the termination of the advisory services agreement, Nufcor Capital Limited was the Filer's advisor and Nufcor International Limited was the Filer's storage consultant. The Filer filed a material change report and press release on July 3, 2009 announcing the termination. The Filer changed its name from "Nufcor Uranium Limited" to "Uranium Limited" by special resolution on September 17, 2009.
12. NuCap Limited (the "Storage Administrator"), a private company limited by shares, was incorporated in England and Wales under the Companies Act 2006. The Storage Administrator, pursuant to instructions of the Filer's Board of Directors and to the terms of storage account administration services agreement between the Filer and the Storage Administrator dated September 22, 2009, provides the Filer with specific services related to the storage and custody of the Filer's Uranium, including administering the Filer's storage accounts with various Uranium storage facilities.
13. The Filer's Board of Directors acts as the manager of the Filer and has assumed the advisory function of the Filer. The Filer's Board of Directors may



engage brokers, on a case-by-case basis, to identify commercially attractive opportunities for the Company to acquire, sell and lend Uranium and advise the Company on the terms of any such acquisition, sale or loan, as the case may be. On September 22, 2009, the Filer entered into a transactional services agreement (the "Transactional Services Agreement") with the Storage Administrator. Pursuant to instructions of the Filer's Board of Directors, the Storage Administrator identifies commercially attractive opportunities for the Filer to acquire, sell and lend Uranium. The Storage Administrator has no obligations to identify investment opportunities other than in response to requests from the Filer's Board of Directors. The Storage Administrator is not paid a monthly retainer under the terms of the Transactional Services Agreement. The Filer's Board of Directors has the discretion to engage the Storage Administrator on a transaction-by-transaction basis.

14. The Filer complies with all requirements applicable to reporting issuers under Ontario's securities laws and regulations, subject to any exemptions the Filer may receive from such requirements. Canadian investors in the Filer have statutory rights of action under applicable securities legislation, including secondary market liability in connection with its continuous disclosure materials, including the AIF. Canadian investors may bring actions against the Filer and its directors in Ontario's courts and if successful, those judgments would be enforceable in jurisdictions where the Filer currently has assets, namely, Canada, the United States, the United Kingdom, France and, subject to certain conditions, Guernsey.
15. The Filer and each of its directors and officers provided undertakings to the Decision Maker in irrevocably and unconditionally submit to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of each of the provinces and territories of Canada and any administrative proceedings in any such province or territory, in any proceedings arising out of or related to or concerning the conditions and representations of the Existing Decision or its activities as a reporting issuer (the "Undertakings").
16. As a reporting issuer in Ontario, the Filer will require the same manner of exemptive relief from certain provisions of NI 81-106 as were granted under the Existing Decision.
17. The Filer is not in material default of any requirements under securities legislation in Ontario.

*Accounting and Auditing*

18. The Filer prepares its financial statements in accordance with IFRS and the interpretations of the International Financial Reporting Interpretations Committee as adopted by the European Union and has its financial statements audited in accordance with ISA.
19. The essential books and records of the Filer required for an audit are primarily located in Guernsey.
20. The Uranium Assets are valued in the financial statements using the fair value basis for valuation of assets. The Board of Directors believes that the fair value method with respect to the valuation of its Uranium Assets in the Filer's financial statements provides investors with more relevant information as to the value of the Filer's assets.
21. Under National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("NI 52-107"), a "foreign issuer" is permitted to prepare its financial statements in accordance with IFRS and to have its financial statements audited in accordance with ISA, provided that an auditor's report describes any material differences in the form and content of such auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS, and indicates that an auditor's report prepared in accordance with Canadian GAAS would not contain a reservation.
22. The Filer would qualify as a "foreign issuer" under NI 52-107 but for the fact that it is an investment fund.
23. The Filer's year end is June 30th of each calendar year.

*Auditor*

24. Section 3.3 of NI 52-107 permits an auditor's report filed by an issuer to be prepared and signed by a person or company that is authorized to sign an auditor's report by the laws of a jurisdiction of Canada or a foreign jurisdiction, and that meets the professional standards of that jurisdiction.
25. NI 52-107 would apply to the Filer but for the fact that it is an investment fund.
26. PwC CI audits the financial statements of the Filer in accordance with relevant legal and regulatory requirements of Guernsey and ISA. PwC CI is authorized to prepare and sign the Filer's audit report under the laws of Guernsey, and PwC CI meets the professional standards of Guernsey and the United Kingdom.

## Decisions, Orders and Rulings

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27. PwC CI is registered with the Canadian Public Accountability Board. (iv) the Filer calculates its NAV at least monthly;
- NAV Frequency* (c) the Accounting and Auditing Relief is granted; and
28. It is standard industry practice for Uranium funds to calculate NAV on a monthly basis. (d) the decision with respect to the Accounting and Auditing Relief ceases to apply as of the date that NI 81-106 requires financial statements of investment funds to be prepared in accordance with IFRS as issued by the International Accounting Standards Board.
29. The price of UF6, one of the two types of Uranium in which the Filer invests, is only published on a monthly basis and there is no intra-month price indicator. U308 prices are published on a weekly basis. Intra-month UF6 prices can be imputed based on general assumptions about U308 prices and conversion prices; however, conversion prices (from U308 to UF6) are also only published on a monthly basis.
30. Section 14.2(3) ensures that securities issued by investment funds that are redeemable on demand are liquid and that holders of such securities will be able to dispose of them on a regular basis with knowledge of the redemption proceeds that they will receive.
31. The ordinary shares of the Filer are not redeemable.
32. The Filer's ordinary shares are traded on AIM of the London Stock Exchange plc and listed on the TSX. Shareholders have the opportunity to trade the Filer's ordinary shares on a daily basis on the TSX, thereby maintaining the liquidity of the Filer's ordinary shares.

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

### Decision

The Decision Maker is satisfied that the decision meets the test set out in the Legislation for it to make the decision.

Provided that the Undertakings from the Filer and each of its directors and officers that were provided to the Decision Maker before the Filer's securities were listed on the TSX remain in full force and effect, the decision of the Decision Maker under the Legislation is that:

- (a) the Revocation Relief is granted;
- (b) the NAV Frequency Relief is granted provided that:
  - (i) the NAV calculation is available to the public upon request; and
  - (ii) the public has access to the Filer's website for this purpose;

for so long as:

- (iii) the ordinary shares of the Filer are listed on the TSX; and

**2.1.2 Shelton Canada Corp. – s. 1(10)**

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

**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., s. 1(10).

January 20, 2010

Parlee McLaws  
1500 Manulife Place  
10180 - 101 Street  
Edmonton, AB T5J 4K1

**Attention: Bruce D. Hirsche**

Dear Sir:

**Re: Shelton Canada Corp. (the Applicant) -  
Application for a decision under the securities  
legislation of Alberta and Ontario (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.

**2.1.3 Walton Capital Management Inc. et al. – s. 15.1 of NI 31-103 Registration Requirements and Exemptions**

Dealing representatives of exempt market dealer exempted from proficiency requirements until September 28, 2010, one year after implementation date of National Instrument 31-103 Registration Requirements and Exemptions (NI 31-103) – Relief mirrors the one-year transition period after NI 31-103 implementation date that would have been available to dealing representatives but for internal reorganization resulting in newly registered exempt market dealer.

**National Instruments Cited**

National Instrument 31-103 Registration Requirements and Exemptions, ss. 3.9, 15.1, 16.7, 16.10.

January 20, 2010

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

**AND**

**IN THE MATTER OF  
NATIONAL INSTRUMENT 31-103  
REGISTRATION REQUIREMENTS AND EXEMPTIONS  
(NI 31-103)**

**AND**

**IN THE MATTER OF  
WALTON CAPITAL MANAGEMENT INC.,  
WALTON INTERNATIONAL GROUP INC. AND  
WALTON CAPITAL INC.**

**DECISION  
(Section 15.1 of NI 31-103)**

**UPON** the Director (as defined in the Act) having received an application (the **Application**) from Walton Capital Management Inc., Walton International Group Inc. and Walton Capital Inc. (the **Applicants**) for a decision pursuant to section 15.1 of NI 31-103, exempting, for a specified period of time, the employees of the Applicants (the **Dealing Representatives**) who are, or will be, registered under the Act as dealing representatives, from the proficiency requirements applicable to dealing representatives of exempt market dealers set forth in section 3.9 of NI 31-103 (the **EMD Proficiency Requirements**);

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

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

1. Walton Capital Management Inc. (**WCMI**) is an Ontario corporation with its head office located in Toronto. WCMI is currently registered as a dealer in the category of exempt market dealer (**EMD**) in Ontario. Prior to the coming into force of NI 31-103, WCMI was registered as a dealer in the category of limited market dealer (**LMD**).
2. Walton International Group Inc. (**WIGI**) is an Alberta corporation with its head office located in Calgary, Alberta. WIGI is active in the exempt market (as that term is defined in section 16.7(2) of NI 31-103) in British Columbia, Alberta, Saskatchewan and Manitoba (the **Western Jurisdictions**) and has been since 2005. It has been trading in securities in the Western Jurisdictions in reliance on exemptions from the dealer registration requirement under the securities legislation of each of the Western Jurisdictions.
3. Walton Capital Inc. (**WCI**) is a corporation incorporated under the laws of Ontario with its head office in Ontario. WCI has applied for registration in Ontario as an adviser in the category of portfolio manager and as an EMD. WCI has also applied for registration in Alberta as an adviser in the category of portfolio manager.
4. The Applicants are affiliates and part of the same corporate complex, ultimately owned by Interborder Holdings Ltd.
5. The Applicants intend to implement an internal corporate reorganization (the **Reorganization**). The Reorganization, as currently structured, involves an amalgamation of WCMI and WCI (with WCI as the successor company), and WIGI transferring certain of its assets and liabilities, which relate to the exempt market business, to WCI. Under the Reorganization, the registered individuals and permitted individuals of WCMI will continue as employees of WCI, and the unregistered salespersons of WIGI will transfer to WCI as of the Reorganization.
6. The effect of the Reorganization is that, following the Reorganization, all the advising and dealing activities of the Applicants in the Western Jurisdictions and Ontario will be carried on by WCI and by the registered individuals and permitted individuals of WCMI and non-registered salespeople of WIGI that transferred to WCI as of the effective date of the Reorganization.
7. In Ontario, under subsection 16.10(3) of NI 31-103, the EMD Proficiency Requirements do not apply to an individual that is registered as a dealing representative of an EMD on the day NI 31-103 comes into force (the **NI 31-103 Implementation Date**) until one year after the NI 31-103 Implementation Date.

8. In jurisdictions outside of Ontario and Newfoundland and Labrador, under subsection 16.7(4) of NI 31-103, the requirement to register as a dealing representative of an EMD does not apply to an individual who acts as a dealer in the exempt market on the NI 31-103 Implementation Date until one year after the NI 31-103 Implementation Date. Under this subsection, the individual continues to be exempt from the dealing representative registration requirement if the individual has applied for registration as a dealing representative within the 12-month transition period until such time as the regulator accepts or refuses the individual's registration.
9. The NI 31-103 Implementation Date was September 28, 2009.
10. For the purposes of this Decision, subsections 16.7(4) and 16.10(3) of NI 31-103 are referred to as the **Transition Provisions**.
11. Had the Reorganization not been proposed, the Dealing Representatives would have been allowed the following transitional periods pursuant to the Transition Provisions:
  - (a) Dealing Representatives who had been acting for WCMI under its LMD registration in Ontario would have a 12-month period following the NI 31-103 Implementation Date in which to obtain the EMD Proficiency Requirements.
  - (b) Dealing Representatives who had been acting on behalf of WIGI would have been able to continue to carry on activities in the exempt market on behalf of WIGI in the Western Jurisdictions for a 12-month period from the NI 31-103 Implementation Date without having to be registered as a dealing representative and without having to meet the EMD Proficiency Requirements.
12. As soon as practicable, WCI intends to apply for registration in the category of EMD in the Western Jurisdictions.
13. As soon as practicable, the Dealing Representatives who had been acting on behalf of WIGI in the Western Jurisdictions intend to apply for registration with WCI in Ontario.
14. Subsequent to the Reorganization, if WCI's application for registration under the Act is granted, its registration will occur after the NI 31-103 Implementation Date and WCI will therefore not be able to avail itself of the Transition Provisions.
15. There is no public policy basis upon which to deny the Dealing Representatives the benefit of the

Transition Provisions in respect of the EMD Proficiency Requirements simply because the Applicants effected the Reorganization.

**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 section 15.1 of NI 31-103 that, effective the date of the Decision:

- (a) Dealing Representatives who had been acting for WCMI under its EMD registration in Ontario will be exempted from the EMD Proficiency Requirements; and
- (b) Dealing Representatives who had been carrying on activities in the exempt market on behalf of WIGI in the Western Jurisdictions will be exempted from the EMD Proficiency Requirements,

provided that this decision will terminate on September 28, 2010.

January 20, 2010.

"Erez Blumberger"  
Manager, Registrant Regulation

**2.1.4 AHL Investment Strategies SPC – Class D Man  
AHL Diversified 2 CAD Notes**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – NI 41-101 – Relief to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

**Applicable Legislative Provisions**

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1), 19.1, 19.3.

**November 3, 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  
AHL INVESTMENT STRATEGIES SPC –  
CLASS D MAN AHL DIVERSIFIED 2 CAD NOTES  
(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 exemptive relief:

- (1) pursuant to section 19.1 of National Instrument 41-101 – *General Prospectus Requirements* (“**NI 41-101**”) from the requirements under subsection 4.2(2) of NI 41-101 and Item 38 of Form 41-101F2 *Information Required in an Investment Fund Prospectus* to permit:
  - (a) the Filer to include financial statements prepared using International Financial Reporting Standards (“**IFRS**”), rather than Canadian generally accepted accounting principles (“**GAAP**”), in the final prospectus (the “**Final Prospectus**”) of the Filer to be filed in each of the Jurisdictions; and
  - (b) the Filer to use International Standards on Auditing (“**ISA**”), rather than Canadian generally accepted auditing standards

(“**GAAS**”), in auditing the Filer’s annual financial statements included in the Final Prospectus;

- (2) pursuant to section 17.1 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“**NI 81-106**”) from the requirements under:
  - (a) section 2.6 of NI 81-106, to permit the financial statements of the Filer to be prepared in accordance with IFRS, rather than Canadian GAAP; and
  - (b) section 2.7 of NI 81-106, to permit the financial statements of the Filer that are required to be audited to be audited in accordance with ISA, rather than Canadian GAAS; and

(collectively, the “**Accounting and Audit Relief**”)

- (3) pursuant to section 10.1 of National Instrument 81-104 *Commodity Pools* (“**NI 81-104**”) for a decision that the Filer be exempted from the requirements under subsection 3.2(2)(a) of NI 81-104, which requires a commodity pool to have invested in it at all times securities that were issued pursuant to subsection 3.2(1)(a) of NI 81-104 and had an aggregate issue price of \$50,000 (the “**Seed Capital Relief**”).

(the Accounting and Audit Relief and the Seed Capital Relief are collectively referred to herein as, 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 Québec.

**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 a segregated portfolio established by AHL Investment Strategies SPC (the “**AHL SPC**”), an exempted company incorporated with limited liability in the Cayman Islands and registered as a

- segregated portfolio company under the *Companies Law* (2007 Revision).
2. Pursuant to the Articles of Association of the AHL SPC, each segregated portfolio of the AHL SPC may issue separate classes of notes, the value of which will depend on the value of the separate segregated portfolio. Each segregated portfolio will have its own investment objective and investment strategy.
  3. The AHL SPC established and will maintain the Filer as a segregated portfolio that proposes to issue a series of Canadian dollar denominated redeemable Class D Man AHL Diversified 2 CAD notes (the "**Notes**") that will constitute unsubordinated and unsecured obligations of the Filer, the value of which will depend on the performance of the Filer.
  4. 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.
  5. To pursue its investment objective, the Filer will invest the proceeds of any offering of Notes in a diversified portfolio of financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energy, metals and agricultural commodities using a predominantly trend-following trading program that employs futures, options, forward contracts, swaps and other financial derivative instruments.
  6. Man Investments Limited (the "**Investment Manager**") will serve as the investment manager of the Filer pursuant to an investment management agreement (the "**Investment Management Agreement**"), which requires the Investment Manager to comply with all applicable laws with respect to the conduct of the Investment Manager's business and the provision of services under the Investment Management Agreement.
  7. In its capacity as investment manager of the Filer, the Investment Manager will provide investment advisory and portfolio management services in respect of the assets of the Filer.
  8. The Investment Manager is a company incorporated in England and Wales with limited liability (No. 2093429) whose registered address is Sugar Quay, Lower Thames Street, London EC3R 6DU, and is regulated in the conduct of regulated activities in the United Kingdom by the Financial Services Authority of the United Kingdom.
  9. The Filer is a commodity pool as such term is defined in section 1.1 of NI 81-104, in that the Filer has adopted fundamental investment objectives that permit the Filer to use or invest in specified derivatives in a manner that is not permitted under National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"). The Filer will be subject to the investment restrictions contained in applicable Canadian securities legislation, including NI 81-102, and the assets of the Filer will be managed in accordance with these restrictions, except as otherwise permitted by NI 81-104.
  10. The Filer has filed a non-offering Preliminary Prospectus dated July 16, 2009 with the securities regulatory authorities in Ontario and Québec, a receipt for which was issued by the Commission and the Autorité des marchés financiers on July 16, 2009.
  11. Once the Filer obtains a receipt for the 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), the financial statements and other reports required to be prepared and filed by the Filer will be provided to holders of Notes (the "**Noteholders**") and available through SEDAR.
  12. The AHL SPC and each of its segregated portfolios prepare their financial statements in accordance with IFRS and have their financial statements audited in accordance with ISA, which are accepted under the relevant legal and regulatory requirements of the Cayman Islands. It is intended that the financial statements of the Filer will be prepared in accordance with IFRS and audited in accordance with ISA.
  13. Ernst & Young LLP, Chartered Accountants, Cayman Islands ("**E&Y Cayman**") audits the financial statements of the AHL SPC and each of its segregated portfolios in accordance with ISA. It is intended that E&Y Cayman will audit the financial statements of the Filer in accordance with ISA.
  14. E&Y Cayman is registered with the Canadian Public Accountability Board.
  15. The Preliminary Prospectus discloses, and the Final Prospectus will disclose, the Filer's intention that the financial statements of the Filer will be prepared in accordance with IFRS and audited in accordance with ISA as contemplated.
  16. The Preliminary Prospectus is, and the Final Prospectus will be, a non-offering prospectus and no securities will be offered thereunder. The Notes will be offered from time to time to investors that are resident outside of Canada.
  17. The Filer and its directors or officers irrevocably and unconditionally submit to the non-exclusive

jurisdiction of the judicial, quasi-judicial, and administrative tribunals of the Jurisdictions and any administrative proceedings in any such Jurisdiction, in any proceedings arising out of or related to or concerning the conditions and representations of the decision in connection with the Requested Relief or its activities as a reporting issuer.

in the Filer and maintain that investment until condition (b)(i) is again satisfied; and

- (iv) the Investment Manager will at all times maintain excess working capital of a minimum of \$100,000.

“Darren McCall”  
Assistant Manager, Investment Funds  
Ontario Securities Commission

**Decision**

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

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

- (a) in respect of the Accounting and Audit Relief,
  - (i) the financial statements of the Filer for the Final Prospectus and the annual financial statements for subsequent financial periods will be prepared in accordance with IFRS and audited in accordance with ISA as contemplated;
  - (ii) the interim financial statements of the Filer for subsequent financial periods will be prepared in accordance with IFRS as contemplated; and
  - (iii) the Filer provides the disclosure set out in paragraph 15; and
- (b) in respect of the Seed Capital Relief,
  - (i) the Investment Manager may not redeem any of its initial investment of \$50,000 in the Filer until \$5.0 million has been received by the Filer from persons or companies other than the persons and companies referred to in subsection 3.2(l)(a) of NI 81-104;
  - (ii) the basis on which the Investment Manager may redeem any of its initial investment of \$50,000 from the Filer is disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus;
  - (iii) if, after the Investment Manager redeems its initial investment of \$50,000 in the Filer in accordance with condition (b)(i) above, the value of the Notes subscribed for by investors other than the persons and companies referred to in subsection 3.2(l)(a) of NI 81-104 drops below \$5.0 million for more than 30 consecutive days, the Investment Manager will, unless the Filer is in the process of being dissolved or terminated, invest \$50,000



**2.1.5 BMO Group Retirement Services Inc.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Plan Sponsors, CAP Members, and a named service provider exempted from the dealer registration and prospectus requirements in the Legislation in respect of trades in securities of mutual funds to non-tax assisted savings plans which act as ‘overflow’ savings plans connected to tax-assisted capital accumulation plans serviced by the same service provider, subject to certain terms and conditions – contributions to the non-tax assisted savings plans limited by reference to specified limits in the Income Tax Act (Canada) – contributions to the non-tax assisted plans are not expected to be significant.

**Statutes Cited**

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

**Rules Cited**

National Instrument 81-102 Mutual Funds.  
National Instrument 45-106 Prospectus and Registration Exemptions.

**Published Documents Cited**

Amendments to NI 45-106 Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005) 25 OSCB 8681.

January 12, 2010

**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  
BMO GROUP RETIREMENT SERVICES INC.  
(the Filer)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for a decision, on behalf of the Filer (including its respective directors, officers, representatives and employees acting on its behalf), any Plan Sponsor (as defined herein) and any Fund (as defined herein), under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a ruling:

- (a) that the dealer registration and prospectus requirements contained in the Legislation shall not apply to the Filer (including its respective directors, officers, representatives and employees acting on its behalf) or any plan sponsor of a Non-Tax Assisted CAP (as defined herein) that uses the services of the Filer in respect of its Non-Tax Assisted CAP (including, but not limited to, any employer, trustee, trade union or association or a combination of them that establishes a Non-Tax Assisted CAP, and any service provider to the extent that the plan sponsor has delegated its responsibilities to the service provider) (a **Plan Sponsor**, or collectively, the **Plan Sponsors**) in respect of trades in the securities of the Funds to the Non-Tax Assisted CAP, subject to certain terms and conditions

(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 subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the jurisdictions of Alberta, British Columbia, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, the Yukon Territory and the Northwest Territories (the **Remaining 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.

The defined term "**CAP**" used herein shall have the meaning given to the term "capital accumulation plan" as defined in section 1.1 of the *Guidelines for Capital Accumulation Plans* published in May 2004 by the Joint Forum of Financial Market Regulators (the **CAP Guidelines**).

The relief from the dealer registration requirement in the Exemption Sought shall be referred to as the **Dealer Registration Relief**.

The term **Non-Tax Assisted CAP** refers to a CAP that meets the definition of CAP in the CAP Guidelines and that is administered in accordance with the CAP Guidelines, but for the fact that it is a savings or investment plan that is non-tax assisted.

The relief from the prospectus requirements in the Exemption Sought shall be referred to as the **Prospectus Relief**.

### **Representations**

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

1. The Filer is a corporation governed by the laws of Canada. Its head office is located in Toronto, Ontario.
2. A CAP is a tax assisted investment or savings plan, and can include a defined contribution pension plan (a **DCPP**, also known as a money purchase pension plan), a group registered retirement savings plan (a **RRSP**), a group registered education savings plan (a **RESP**), or a deferred profit sharing plan (a **DPSP**), established by a Plan Sponsor that permits an individual to make investment decisions among two or more investment options offered within the plan.
3. The Filer will provide its services to Plan Sponsors where the investment choices for the members of the CAP or Non-Tax Assisted CAP (each a **Member** and, collectively, the **Members**) include Funds of the Filer, its affiliates and/or Funds managed by a manager unrelated to the Filer, whether offered by prospectus or on a private placement basis.
4. The Filer intends to trade in securities of the Funds as part of the group retirement services it will provide to various Plan Sponsors from time to time.
5. Plan Sponsors to whom the Filer will provide services may be employers, trustees, trade unions, associations or a combination of these that establish a CAP or Non-Tax Assisted CAP.
6. A Plan Sponsor establishes a CAP or Non-Tax Assisted CAP for the benefit of individual Members. Members may include current or former employees, or a person who belongs, or did belong, to a trade union or association, or
  - (a) his or her spouse;
  - (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or
  - (c) his or her holding entity, or a holding entity of his or her spouse,that have assets in a CAP or Non-Tax Assisted CAP, and also includes any person who is eligible to participate in such plans.
7. The services that the Filer will provide to the Plan Sponsor will generally involve recordkeeping of Member data, transactions processing in respect of Member accounts, provision of Member statements as required under pension

standards legislation and/or the applicable recordkeeping agreement and processing changes to Member accounts such as termination, death, retirement or a change in marital status.

8. The services that the Filer will provide to the Members will generally include direct contact services through its call centre and a variety of self-help tools that allow Members to make investment decisions regarding their investments.
9. The Filer will not be involved in plan design, engage in discretionary decision making with respect to the CAPs, Non-Tax Assisted CAPs, or Member accounts, and will not select investments for the CAPs, Non-Tax Assisted CAPs or Member accounts, or provide investment advice to Members.
10. Members and, in some cases, the Plan Sponsor, will make initial investment decisions, and subsequent changes to those investment decisions, with or without the assistance of an advisor selected by the Member (which will not be the Filer). These instructions are transmitted to the Filer and the Filer will then transmit these instructions to the Funds directly. The interest in the securities of the Funds will be registered in the name of the Filer (or other nominee) for the account of the relevant plan. The Filer will establish and maintain the records reflecting the interest of each Member or Plan Sponsor, as the case may be, in each Fund.
11. The Filer, the Plan Sponsors and the Funds intend to trade within CAPs or to Members of CAPs in accordance with the conditions set out in proposed amendments to National Instrument 45-106 *Prospectus and Registration Exemptions (NI 45-106)* related to CAPs, which were published by the Canadian Securities Administrators (the **CSA**) on October 21, 2005 (the **Proposed CAP Exemption**) and adopted in the form of a blanket exemption in the Remaining Jurisdictions, other than in Québec, Newfoundland and Labrador, the Yukon Territory and Nunavut (the **CAP Blanket Exemption**). The Proposed CAP Exemption and the CAP Blanket Exemption contemplate both dealer registration and prospectus exemptions, where required.
12. Though no equivalent to the CAP Blanket Exemption has been adopted in the jurisdictions of the principal regulator, Québec, Newfoundland and Labrador, the Yukon Territory or Nunavut, CSA Notice 81-405 *Request for Comment on Proposed Exemptions for Certain Capital Accumulation Plans* (the **CAP Staff Notice**) states that, in the jurisdiction of the principal regulator, the conditions described in the Proposed CAP Exemption will form the basis of the circumstances in which OSC staff expects that they could recommend that the principal regulator grant discretionary relief to an applicant. On November 17, 2009, the principal regulator granted the Filer a ruling (the **Filer's CAP Exemption**) providing prospectus and registration relief consistent with the CAP Blanket Exemption to allow the Filer to trade within CAPs and to Members of CAPs on conditions consistent with the CAP Blanket Exemption and the Proposed CAP Exemption. The Filer's CAP Exemption will be relied upon by the Filer in Quebec, Newfoundland and Labrador, the Yukon Territory and Nunavut.
13. The Filer is not in default of securities legislation in any jurisdiction.
14. The Filer may be requested by a Plan Sponsor to provide services to a Non-Tax Assisted CAP established by the Plan Sponsor for the benefit of individual Members. These Non-Tax Assisted CAPs would not constitute CAPs, as defined in the CAP Guidelines, the Proposed CAP Exemption or the CAP Blanket Exemption, since they are not "tax-assisted" under applicable legislation. Non-Tax Assisted CAPs are generally intended as non-registered employee savings plans to which excess contributions of Members that cannot be invested in a CAP because of legislative limits for such CAP investments will be invested on behalf of the Members.
15. Non-Tax Assisted CAPs will be established in conjunction with CAPs because Canadian tax legislation imposes a limit on the amounts that may be contributed to a CAP. The benefit formula under a Plan Sponsor's benefit program sometimes results in contributions that exceed that tax limit. A Plan Sponsor may establish a Non-Tax Assisted CAP to allow for those excess contributions to be invested in the same manner as the tax assisted contributions. These excess contributions to Non-Tax Assisted CAPs are not expected to be significant and in any event will be limited by the calculation set out in Condition (j) of this decision and subject to the remaining conditions set out in this decision.
16. Non-Tax Assisted CAPs will operate in the same manner as CAPs in terms of the relationship between Members and Plan Sponsors, and the duties, rights and responsibilities of Members and Plan Sponsors. The only significant difference between the two types of plans is the tax assisted nature of one and not the other.
17. Each Member of a Non-Tax Assisted CAP of a Plan Sponsor that is administered by the Filer will also be a member of the Plan Sponsor's CAP.
18. The Filer will administer the Non-Tax Assisted CAPs in accordance with the CAP Guidelines and, in the case of the Non-Tax Assisted CAPs, in a similar fashion to the related CAPs for the applicable Members. The Filer will only administer Non-Tax Assisted CAPs which originate out of CAPs of a Plan Sponsor also serviced by the Filer.

**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:

1. for the Dealer Registration Relief:
  - (a) the Plan Sponsor selects the mutual funds that Members will be able to invest in under the Non-Tax Assisted CAP ;
  - (b) the Plan Sponsor establishes a policy, and provides Members with a copy of the policy and any amendments to it, describing what happens if a Member does not make an investment decision;
  - (c) in addition to any other information that the Plan Sponsor believes is reasonably necessary for a Member to make an investment decision within the Non-Tax Assisted CAP, and unless that information has previously been provided, the Plan Sponsor provides the Member with the following information about each mutual fund the Member may invest in:
    - (i) the name of the mutual fund;
    - (ii) the name of the manager of the mutual fund and its portfolio advisor;
    - (iii) the fundamental investment objective of the mutual fund;
    - (iv) the investment strategies of the mutual fund or the types of investments the mutual fund may hold;
    - (v) a description of the risks associated with investing in the mutual fund;
    - (vi) where a Member can obtain more information about each mutual fund's portfolio holdings; and
    - (vii) where a Member can obtain more information generally about each mutual fund, including any continuous disclosure;
  - (d) the Plan Sponsor provides Members with a description and amount of any fees, expenses and penalties relating to the Non-Tax Assisted CAP, as the case may be, that are borne by Members, including:
    - (i) any costs that must be paid when the mutual fund is bought or sold;
    - (ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;
    - (iii) mutual fund management fees;
    - (iv) mutual fund operating expenses;
    - (v) record keeping fees;
    - (vi) any costs for transferring among investment options, including penalties, book and market value adjustments and tax consequences;
    - (vii) account fees; and
    - (viii) fees for services provided by service providers;

provided that the Plan Sponsor may disclose the fees, penalties and expenses on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Member;

- (e) the Plan Sponsor has, within the past year, provided the Members with performance information about each mutual fund the Members may invest in, including:
  - (i) the name of the mutual fund for which the performance is being reported;
  - (ii) the performance of the mutual fund, including historical performance for one, three, five and ten years if available;
  - (iii) a performance calculation that is net of investment management fees and mutual fund expenses;
  - (iv) the method used to calculate the mutual fund's performance return calculation, and information about where a Member could obtain a more detailed explanation of that method;
  - (v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, for the mutual fund, and corresponding performance information for that index; and
  - (vi) a statement that past performance of the mutual fund is not necessarily an indication of future performance;
- (f) the Plan Sponsor has, within the past year, informed Members if there were any changes in the choice of mutual funds that Members could invest in and where there was a change, provided information about what Members needed to do to change their investment decision, or make a new investment;
- (g) the Plan Sponsor provides Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the Non-Tax Assisted CAP ;
- (h) the Plan Sponsor must provide the information required by paragraphs (b), (c), (d) and (g) prior to the Member making an investment decision under the Non-Tax Assisted CAP;
- (i) if the Plan Sponsor makes investment advice from a registrant available to Members, the Plan Sponsor must provide Members with information about how they can contact the registrant;
- (j) the maximum amount that may be contributed in respect of a Member to the Non -Tax Assisted CAP in a given year is limited to any positive difference between:
  - (i) the maximum amount that the Member and the Plan Sponsor would have been able to contribute for that year to the applicable CAP under the terms of the applicable CAP if contributions to the applicable CAP were not restricted to the maximum dollar limit provided in the Income Tax Act (Canada) (the ITA); and
  - (ii) the maximum dollar limit provided in the ITA for the applicable CAP,

provided that this maximum amount that may be contributed in respect of a Member to the Non-Tax Assisted CAP in a given year shall not exceed an amount equal to the "money purchase limit", as defined in the ITA, for the year.

In this paragraph (j), the amount determined under (i) shall be no more than 18 % of the Member's "earned income" as defined in the ITA and the "maximum dollar limit" means the "RRSP dollar limit" as defined in the ITA (in the case where the applicable CAP is an RRSP), the "money purchase limit" as defined in the ITA (in the case where the applicable CAP is a DCP), one-half of the "money purchase limit" (in the case where the applicable CAP is a DPSP), or, the applicable maximum fixed dollar contribution prescribed under the ITA (in the case of any other type of CAP).

2. for the Prospectus Relief;

- (a) the conditions set forth in paragraph 1 above are met;
- (b) the Funds comply with Part 2 of National Instrument 81-102 Mutual Funds; and

- (c) where a Member chooses to invest in a publicly available mutual fund selected by the Plan Sponsor as an investment option for the Non-Tax Assisted Plan, the current prospectus of the mutual fund will be made available, upon demand, to the Member;
- 3. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Dealer Registration Relief will terminate upon the coming into force in securities rules of a registration exemption for trades in a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to make such a rule;
- 4. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Prospectus Relief will terminate upon the coming into force in securities rules of a prospectus exemption for the distribution of a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to make such a rule.

“James E.A. Turner”  
Vice-Chair  
Ontario Securities Commission

“David L. Knight”  
Commissioner  
Ontario Securities Commission

**2.1.6 BMO Group Retirement Services Inc.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief in Multiple Jurisdictions – Plan Sponsors, CAP Members, and a named service provider exempted from the dealer registration and prospectus requirements in the Legislation in respect of trades in securities of mutual funds to tax-assisted capital accumulation plans, subject to certain terms and conditions.

**Statutes Cited**

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

**Rules Cited**

National Instrument 81-102 Mutual Funds.  
National Instrument 45-106 Prospectus and Registration Exemptions.

**Published Documents Cited**

Amendments to NI 45-106 Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.

**November 17, 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  
BMO GROUP RETIREMENT SERVICES INC.  
(the Filer)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for a decision, on behalf of the Filer (including its respective directors, officers, representatives and employees acting on its behalf), any Plan Sponsor (as defined herein) and any Fund (as defined herein), under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a ruling:

- (a) that the dealer registration and prospectus requirements contained in the Legislation shall not apply to the Filer (including its respective directors, officers, representatives and employees acting on its behalf) or any plan sponsor of any CAP that uses the services of the Filer in respect of its CAP (including, but not limited to, any employer, trustee, trade union or association or a combination of them that establishes a CAP, and any service provider to the extent that the plan sponsor has delegated its responsibilities to the service provider) (a **Plan Sponsor**, or collectively, the **Plan Sponsors**) in respect of trades in the securities of any mutual funds selected for the CAPs sponsored by the Plan Sponsors, whether managed by an affiliate of the Filer or third parties (collectively, the **Funds**), subject to certain terms and conditions (the **CAP Blanket Order Equivalent Relief**)

**(the Exemption Sought)**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application) the Ontario Securities Commission is the principal regulator for this application, and the Filer has provided notice that subsection 4.7(1) of Multilateral

Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in the jurisdictions of Québec, Newfoundland and Labrador, the Yukon Territory 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.

The defined term “**CAP**” used herein shall have the meaning given to the term “capital accumulation plan” as defined in section 1.1 of the *Guidelines for Capital Accumulation Plans* published in May 2004 by the Joint Forum of Financial Market Regulators (the **CAP Guidelines**).

The relief from the dealer registration requirement in the CAP Blanket Order Equivalent Relief shall be referred to as the **Dealer Registration Relief**.

The relief from the prospectus requirements in the CAP Blanket Order Equivalent Relief shall be referred to collectively as the **Prospectus Relief**.

### **Representations**

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

1. The Filer is a corporation governed by the laws of Canada. Its head office is located in Toronto, Ontario.
2. The Filer has entered into an agreement to purchase the group retirement services business of ICMC Group Retirement Services Inc. (**Integra**), a wholly owned subsidiary of Integra Capital Management Corporation, such purchase to include the various administration agreements relating to the CAPs of certain Plan Sponsors. The purchase of the Integra group retirement services business is anticipated to close by the end of November 2009.
3. A CAP is a tax assisted investment or savings plan, and can include a defined contribution pension plan (a **DCPP**, also known as a money purchase pension plan), a group registered retirement savings plan (a **RRSP**), a group registered education savings plan (a **RESP**), or a deferred profit sharing plan (a **DPSP**), established by a Plan Sponsor that permits an individual to make investment decisions among two or more investment options offered within the plan.
4. The Filer will provide its services to Plan Sponsors where the investment choices for the members of the CAP (each a **Member** and, collectively, the **Members**) include Funds of the Filer, its affiliates and/or Funds managed by a manager unrelated to the Filer, whether offered by prospectus or on a private placement basis.
5. The Filer intends to trade in securities of the Funds as part of the group retirement services it will provide to various Plan Sponsors from time to time.
6. Plan Sponsors to whom the Filer will provide services may be employers, trustees, trade unions, associations or a combination of these that establish a CAP.
7. A Plan Sponsor establishes a CAP for the benefit of individual Members. Members may include current or former employees, or a person who belongs, or did belong, to a trade union or association, or
  - (a) his or her spouse;
  - (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or
  - (c) his or her holding entity, or a holding entity of his or her spouse,that have assets in a CAP, and also includes any person who is eligible to participate in such plans.
8. The services that the Filer will provide to the Plan Sponsor will generally involve recordkeeping of Member data, transactions processing in respect of Member accounts, provision of Member statements as required under pension standards legislation and/or the applicable recordkeeping agreement and processing changes to Member accounts such as termination, death, retirement or a change in marital status.
9. The services that the Filer will provide to the Members will generally include direct contact services through its call centre and a variety of self-help tools that allow Members to make investment decisions regarding their investments.



10. The Filer will not be involved in plan design, engage in discretionary decision making with respect to the CAPs or Member accounts, select investments for the CAPs, or provide investment advice to Members.
11. Members and, in some cases, the Plan Sponsor, will make initial investment decisions, and subsequent changes to those investment decisions, with or without the assistance of an advisor selected by the Member (which will not be the Filer). These instructions are transmitted to the Filer and the Filer will then transmit these instructions to the Funds directly. The interest in the securities of the Funds will be registered in the name of the Filer (or other nominee) for the account of the relevant plan. The Filer will establish and maintain the records reflecting the interest of each Member or Plan Sponsor, as the case may be, in each Fund.
12. The Filer, the Plan Sponsors and the Funds intend to trade within CAPs or to Members in accordance with the conditions set out in proposed amendments to National Instrument 45-106 *Prospectus and Registration Exemptions* related to CAPs, which were published by the Canadian Securities Administrators (the **CSA**) on October 21, 2005 (the **Proposed CAP Exemption**) and adopted in the form of a blanket exemption by the securities regulatory authorities in all provinces and territories of Canada, other than in Ontario, Québec, Newfoundland and Labrador, the Yukon Territory and Nunavut (the **CAP Blanket Exemption**). The Proposed CAP Exemption and the CAP Blanket Exemption contemplate both dealer registration and prospectus exemptions, where required.
13. Though no equivalent to the CAP Blanket Exemption has been adopted in the jurisdictions of the principal regulator, Québec and Newfoundland and Labrador, the Yukon Territory or Nunavut, CSA Notice 81-405 *Request for Comment on Proposed Exemptions for Certain Capital Accumulation Plans* (the **CAP Staff Notice**) states that, in the jurisdiction of the principal regulator, the conditions described in the Proposed CAP Exemption will form the basis of the circumstances in which OSC staff expects that they could recommend that the principal regulator grant discretionary relief to an applicant. The regulators located in the other jurisdictions in which no equivalent to the CAP Blanket Exemption was adopted made it clear that they would be prepared to grant discretionary relief on terms similar to those contained in the Proposed CAP Exemption.
14. As Plan Sponsors will typically approach group retirement services providers, such as the Filer, for assistance with respect to the above regulatory issues, the Filer is seeking an exemption on behalf of the Filer, the Plan Sponsor and the Funds, as applicable, from the prospectus requirements where the Fund meets the conditions set out in this Application. The Filer will obtain on behalf of the Plan Sponsor a certificate from the manager of each such Fund certifying that such Fund complies with Part 2 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**).
15. The Filer is not in default of securities legislation in any jurisdiction.
16. On October 17, 2006, Integra, certain mutual funds that formed the investment choices within the CAPs (some of which were distributed under a prospectus pursuant to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, while others were distributed under exemptions from the prospectus requirements of the Legislation) and one Plan Sponsor applied for and obtained relief from the principal regulator from the dealer registration and prospectus requirements in the Legislation in respect of trades in securities of mutual funds within CAPs and, pursuant to the Mutual Reliance Review System for exemptive relief applications, from the equivalent requirements of the Autorité des marchés financiers and the Securities Commission of Newfoundland and Labrador, subject to certain terms and conditions (the **MRRS Order**). The MRRS Order was consistent with the Proposed CAP Exemption and the CAP Blanket Exemption.
17. The Filer, having entered into an agreement to purchase the business of Integra that was the subject of the MRRS Order, seeks relief on terms similar to the MRRS Order so that it may continue to provide the group retirement services to CAPs.
18. The CAP Staff Notice stated that the purpose of the Proposed CAP Exemption was to remove existing barriers to trading mutual fund securities with Members of CAPs where there is no valid regulatory reason for having such barriers.

### **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:

1. for the Dealer Registration Relief
  - (a) the Plan Sponsor selects the mutual funds that Members will be able to invest in under the CAP;

- (b) the Plan Sponsor establishes a policy, and provides Members with a copy of the policy and any amendments to it, describing what happens if a Member does not make an investment decision;
- (c) in addition to any other information that the Plan Sponsor believes is reasonably necessary for a Member to make an investment decision within the CAP, and unless that information has previously been provided, the Plan Sponsor provides the Member with the following information about each mutual fund the Member may invest in:
  - (i) the name of the mutual fund;
  - (ii) the name of the manager of the mutual fund and its portfolio advisor;
  - (iii) the fundamental investment objective of the mutual fund;
  - (iv) the investment strategies of the mutual fund or the types of investments the mutual fund may hold;
  - (v) a description of the risks associated with investing in the mutual fund;
  - (vi) where a Member can obtain more information about each mutual fund's portfolio holdings; and
  - (vii) where a Member can obtain more information generally about each mutual fund, including any continuous disclosure;
- (d) the Plan Sponsor provides Members with a description and amount of any fees, expenses and penalties relating to the CAP that are borne by Members, including:
  - (i) any costs that must be paid when the mutual fund is bought or sold;
  - (ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;
  - (iii) mutual fund management fees;
  - (iv) mutual fund operating expenses;
  - (v) record keeping fees;
  - (vi) any costs for transferring among investment options, including penalties, book and market value adjustments and tax consequences;
  - (vii) account fees; and
  - (viii) fees for services provided by service providers,

provided that the Plan Sponsor may disclose the fees, penalties and expenses on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Member;

- (e) the Plan Sponsor has, within the past year, provided the Members with performance information about each mutual fund the Members may invest in, including:
  - (i) the name of the mutual fund for which the performance is being reported;
  - (ii) the performance of the mutual fund, including historical performance for one, three, five and ten years if available;
  - (iii) a performance calculation that is net of investment management fees and mutual fund expenses;
  - (iv) the method used to calculate the mutual fund's performance return calculation, and information about where a Member could obtain a more detailed explanation of that method;

- (v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, for the mutual fund, and corresponding performance information for that index; and
  - (vi) a statement that past performance of the mutual fund is not necessarily an indication of future performance;
- (f) the Plan Sponsor has, within the past year, informed Members if there were any changes in the choice of mutual funds that Members could invest in and where there was a change, provided information about what Members needed to do to change their investment decision, or make a new investment;
  - (g) the Plan Sponsor provides Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the CAP;
  - (h) the Plan Sponsor must provide the information required by paragraphs (b), (c), (d) and (g) prior to the Member making an investment decision under the CAP;
  - (i) if the Plan Sponsor makes investment advice from a registrant available to Members, the Plan Sponsor must provide Members with information about how they can contact the registrant;
2. for the Prospectus Relief
- (a) the conditions set forth in paragraph 1 above are met;
  - (b) the Funds comply with Part 2 of NI 81-102;
3. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Dealer Registration Relief will terminate upon the coming into force in securities rules of a registration exemption for trades in a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to make such a rule, and
4. this Decision, as it relates to the jurisdiction of a Decision Maker with respect to the Prospectus Relief will terminate upon the coming into force in securities rules of a prospectus exemption for the distribution of a security of a mutual fund to a CAP or 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to make such a rule.

“James Turner”  
Vice-Chair  
Ontario Securities Commission

“Margot C. Howard”  
Commissioner  
Ontario Securities Commission

2.1.7 Man Canada AHL DP Investment Fund

Headnote

NP 11-203 – Seed capital relief and Weekly NAV calculation relief from National Instrument 81-104 Commodity Pool and National Instrument 81-106 – Investment Fund Continuous Disclosure for a commodity pool fund not to be subject to the seed capital requirement, and for the commodity pool fund to calculate its net asset value weekly, due to the nature of the fund’s indirect exposure to another commodity pool that published its net asset value on a weekly basis. The commodity pool fund based on its specific structure, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 14.2.  
National Instrument 81-104 Commodity Pools, ss. 3.2(2)(a), 10.1.

November 3, 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 DP INVESTMENT FUND  
(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 exemptive relief from:

1. section 14.2(3)(b) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”), which requires the net asset value (“NAV”) of an investment fund that uses specified derivatives to be calculated at least once every business day (“NAV Relief”); and
2. section 3.2(2)(a) of National Instrument 81-104 – *Commodity Pools* (“NI 81-104”), which requires a commodity pool to have invested in it at all times an amount invested in securities that were issued pursuant to paragraph 3.2(1)(a) of NI 81-104 and

had an aggregate issue price of \$50,000 (“Seed Capital Relief”),

(herein collectively referred to as the “Requested Relief”).

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 British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and 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. Man Investments Canada Corp. (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 July 3, 2009 on SEDAR with respect to the proposed offering (the “Offering”) of Class A Units, Class B Units, Class C Units, Class F Units, Class I Units, Class O Units, Class P Units, Class Q Units and Class R Units (together, the “Units”) of the Filer, a receipt for which was issued by the Commission on July 3, 2009.
4. The Filer is a commodity pool as such term is defined in section 1.1 of NI 81-104, in that the Filer has adopted fundamental investment objectives that permit the Filer to gain exposure to or use or invest in specified derivatives in a manner that is not permitted under National Instrument 81-102 – *Mutual Funds* (“NI 81-102”).
5. The Filer is subject to NI 81-102 and the *Securities Act* (Ontario), subject to any

- exemptions therefrom that may be granted by securities regulatory. NI 81-104 also grants exemptions from certain investment restrictions of NI 81-102.
6. The Filer's investment objectives are: (i) to provide holders of Units (the "**Unitholders**") with the opportunity to realize capital appreciation through investment returns that have a low correlation to traditional forms of stock and bond securities; and (ii) starting in 2010, to pay to holders of Class O Units, Class P Units, Class Q Units and Class R Units quarterly cash distributions in each calendar year equal to 6% of the NAV of such Units calculated as at the last valuation date of the preceding year. The investment objectives of the Filer, as well as its investment strategy, is disclosed in the Preliminary Prospectus.
7. To pursue its investment objectives, the Filer will obtain exposure to the returns of an investment portfolio (the "**AHL Portfolio**") that ultimately invests in financial instruments across a range of global markets including, without limitation, stocks, bonds, currencies, short-term interest rates, energies, metals and agricultural commodities using a predominantly trend-following trading program that employs futures, options and forward contracts, swaps and other financial derivative instruments.
8. 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**").
9. The AHL Portfolio will be held as a segregated portfolio of AHL Investment Strategies SPC (the "**AHL 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).
10. The return to the Filer, and consequently to Unitholders, will be referable to the return of Canadian dollar denominated redeemable Class D Man AHL Diversified 2 CAD notes (the "**AHL SPC Notes**") proposed to be issued by the AHL SPC in respect of the AHL Portfolio. The aggregate value at any time of the outstanding AHL SPC Notes will equal the net asset value of the AHL Portfolio.
11. The Filer will invest substantially all of the proceeds of the Offering in a portfolio of non-dividend paying common shares of Canadian public companies (the "**Common Share Portfolio**"). Pursuant to the Forward Agreement, the Counterparty will agree to pay to the Filer on the scheduled settlement date of the Forward Agreement, as the purchase price for the Common Share Portfolio, an amount equal to the net redemption proceeds of the AHL SPC Notes, subject to applicable fees owing to the Counterparty under the Forward Agreement.
12. The return to the Filer, and the NAV per Unit of each Class, will by virtue of the Forward Agreement depend on the redemption value of the AHL SPC Notes which is based on the net asset value of the AHL Portfolio. The AHL Portfolio calculates its net asset value every business day and makes the net asset value of the AHL SPC Notes available to the financial press for publication on a weekly basis.
13. All of the classes of Units have the same investment strategy and restrictions but differ with respect to one or more of their features, such as management fees, expenses, redemption fees, commissions or distributions. The NAV per Unit of each class will not be the same as a result of the different fees, expenses and distributions allocable to each class of Units.
14. The Filer does not intend to list the Units on any stock exchange.
15. Units of each class of the Filer are offered for purchase weekly on a continuous basis and may be purchased through authorized dealers. Purchase orders must be received before 4:00 p.m. on the fifth business day immediately preceding a Valuation Date (as hereinafter defined) in order to process the order at the Unit price calculated on the next Valuation Date.
16. Units of each class may be redeemed on a weekly basis for a redemption price equal to 100% of the NAV per Unit of that class less, if applicable, the redemption fee payable in connection with early redemptions of Units.
17. 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 NAV on a daily basis.
18. The Filer proposes to calculate its NAV as at the Monday of each week (the "**Valuation Date**") or such other day or days of each week as determined from time to time by the Manager.
19. The Preliminary Prospectus discloses, and the final prospectus of the Filer will disclose, that the NAV 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 post the NAV per Unit of each class of Units on its website at [www.maninvestments.com](http://www.maninvestments.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 Requested Relief is granted provided that:

*Seed Capital Relief*

- (a) the Manager may not redeem any of its initial investment of \$50,000 in the Filer until \$5.0 million has been received by the Filer from persons or companies other than the persons and companies referred to in paragraph 3.2(l)(a) of NI 81-104;
- (b) the basis on which the Manager may redeem any of its initial investment of \$50,000 from the Filer will be disclosed in the prospectus of the Filer;
- (c) if, after the Manager redeems its initial investment of \$50,000 in the Filer in accordance with condition (a) above, the value of the Units subscribed for by investors other than the persons and companies referred to in paragraph 3.2(l)(a) of NI 81-104 drops below \$5.0 million for more than 30 consecutive days, the Manager will, unless the Filer is in the process of being dissolved or terminated, reinvest \$50,000 in the Filer and maintain that investment until condition (a) is again satisfied;
- (d) the Manager will at all times maintain excess working capital of a minimum of \$100,000;

*NAV Relief*

- (e) the NAV 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 post the net asset value per Unit of each class of Units on its website at [:/\\_](#); and
- (f) if the NAV of the AHL SPC Notes is published more frequently than weekly, the Filer must calculate its NAV on the same frequency.

“Darren McKall”  
Assistant Manager, Investment Funds  
Ontario Securities Commission

**2.1.8 Ridgewood Canadian Investment Grade Bond Fund**

**Headnote**

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

**Applicable Legislative Provisions**

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 14.

**November 27, 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  
RIDGEWOOD CANADIAN INVESTMENT  
GRADE BOND FUND  
(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**) that exempts the Filer from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 *Investment Fund Continuous Disclosure (NI 81-106)* to calculate the Filer’s net asset value (**NAV**) at least once every business day (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for 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 by the Filer in all the provinces of Canada.

### Interpretation

Terms defined in National Instrument 14-101 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. Ridgewood Capital Asset Management Inc. (the **Manager**) is a corporation incorporated under the *Canada Business Corporations Act*. It intends to establish the Filer pursuant to a declaration of trust. The head office of the Manager is located at 55 University Avenue, Suite 1020, Toronto, Ontario M5J 2H7.
2. The Manager will be the trustee and manager of the Filer and will be responsible for providing and arranging for the provision of all administrative services required by the Filer. The Manager is also the portfolio advisor of the Filer and is responsible for executing the Filer's investment strategy.
3. Neither the Filer nor the Manager is in default of securities legislation in any of the provinces or territories of Canada.
4. The Filer filed a preliminary prospectus (the **Preliminary Prospectus**) dated October 30, 2009 on SEDAR with respect to an initial public offering (the **Offering**) of units (**Units**) in each of the provinces of Canada, a receipt for which was issued by the Ontario Securities Commission on October 30, 2009. The Offering of Units is a one-time offering and the Filer will not continuously distribute the Units.
5. The Filer's investment objectives are to provide Unitholders with monthly cash distributions, initially targeted to be 5.25% per annum on the original issue of \$12.00 per Unit and to maximize the total returns for Unitholders while preserving capital in the long term by obtaining exposure to an investment portfolio (the "**Portfolio**") consisting primarily of Canadian investment grade bonds. In addition the Filer may invest up to 10% of the Portfolio in U.S. investment grade bonds.
6. The Filer may use derivative instruments such as forward contracts or swaps consistent with its investment objectives and subject to the investment restrictions of the Filer to reduce the effects on the Portfolio of changes in the value of the U.S. dollar relative to the Canadian dollar.
7. CIBC Mellon Trust Company will act as custodian of the assets of the Filer.

8. The Units will be redeemable at the option of the holder of the Units ( a **Unitholder**) on the second last business day of each month, other than December (each a **Monthly Redemption Date**). A Unitholder who properly surrenders a Unit for redemption no later than 5:00 p.m. (Toronto time) on the date which is the last business day of the month preceding the Monthly Redemption Date will receive on or before the 10th business day of the month immediately following such Monthly Redemption Date, payment of the Monthly Redemption Price per Unit (as defined below) for such Unit calculated by reference to the price at which Units are trading on the Toronto Stock Exchange (**TSX**) (subject to the Filer's right to suspend redemptions in certain circumstances).
9. The **Monthly Redemption Price per Unit** will be equal to the lesser of:
  - (a) 96% of the weighted average trading price of the Units on the TSX for the 10 trading days immediately preceding the applicable Monthly Redemption Date, and
  - (b) 100% of the closing market price of a Unit on the applicable Monthly Redemption Date,less, in each case, any costs associated with redemption, including brokerage costs (the **Redemption Costs**).
10. Commencing in 2010, Units also may be surrendered for redemption at the option of the Unitholder on the second last business day of December in each year (an **Annual Redemption Date**). A Unitholder who properly surrenders a Unit for redemption at least 10 business days prior to an Annual Redemption Date will receive on or before the 15th business day following such Annual Redemption Date, payment of the Redemption Price per Unit (as defined below) for such Unit calculated by reference to the net asset value of the Unit (subject to the Filer's right to suspend redemptions in certain circumstances).
11. The Redemption Price per Unit will be equal to:
  - (a) the net asset value per Unit as at the Annual Redemption Date, less
  - (b) any applicable Redemption Costs.
12. The Filer will not be a "mutual fund" because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer as contemplated in the definition of "mutual fund" in the securities legislation of the provinces of Canada.

Accordingly, the Filer will be a “non-redeemable investment fund” as defined in NI 81-106.

(d) the Filer calculates its NAV at least weekly.

13. 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.

“Darren McKall”  
Assistant Manager, Investment Funds  
Ontario Securities Commission

14. The Filer intends to calculate its net asset value (**NAV**) and net asset value per Unit on a weekly basis on Thursday of each week or if any Thursday is not a business day, the immediately preceding business day, the Annual Redemption Date and the last business day of each month, and includes any other date on which the Manager elects, in its discretion, to calculate the NAV per Unit (each a **Valuation Date**). The Filer will make available to the financial press for publication on a weekly basis, the NAV per Unit. Such amount also will be available on the Manager’s website at [www.ridgewoodcapital.ca](http://www.ridgewoodcapital.ca).

15. The Preliminary Prospectus discloses, and the final prospectus of the Filer will disclose, that the NAV per Unit will be calculated on a weekly basis and will be posted on the internet at [www.ridgewoodcapital.ca](http://www.ridgewoodcapital.ca).

16. The Units are expected to be listed and posted for trading on the Toronto Stock Exchange (**TSX**) and an application to the TSX to so list the Units has been made. The Units are unlike securities of a conventional mutual fund in which there is normally no such market and where, as a result, holders of such securities who wish to liquidate their holdings must cause the fund to redeem their securities. Since the Units will be listed for trading on the TSX, Unitholders will not have to rely solely on the redemption feature of the Units in order to provide liquidity for their investment.

**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 NAV calculation is available to the public upon request; and
- (b) a toll-free telephone number or website is available which the public can access for this purpose;

for so long as:

- (c) the Units are listed on the TSX; and



## 2.1.9 Jim Balsillie and Research In Motion Limited

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the insider reporting requirements for insider in respect of exercise of options and the acquisition, transfer and disposition of common shares pursuant to automatic securities disposition plans, subject to insider filing an annual report of such transactions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107(2), 121(2)(a)(ii).

Ontario Securities Commission's Staff Notice 55-701 Automatic Securities Disposition Plans and Automatic Purchase Plans.

January 22, 2010

**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  
JIM BALSILLIE (THE INSIDER) AND  
RESEARCH IN MOTION LIMITED (RIM, AND  
COLLECTIVELY WITH THE INSIDER, THE FILERS)**

**DECISION**

### Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption pursuant to section 121(2)(a)(ii) of the *Securities Act* (Ontario) (the **Act**) from the requirements set out in section 107(2) of the Act that the Insider file an insider report within 10 days of each (i) disposition of Shares effected pursuant to the Plans (as defined below) and (ii) acquisition of control or direction over Shares as a result of a donation of Shares to the Balsillie Family Foundation pursuant to the Plans (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 Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador.

### 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 in this decision.

### Representations

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

1. RIM is a corporation amalgamated under the *Business Corporations Act* (Ontario).
2. RIM's registered and principal business office is 295 Phillip Street, Waterloo, Ontario, N2L 3W8.
3. RIM is a reporting issuer in each of the provinces of Canada and its Shares are listed for trading on the Toronto Stock Exchange and the NASDAQ Global Select Market.
4. The Insider is the Co-Chief Executive Officer of RIM and is an "insider" of RIM as that term is defined in the Legislation.
5. On May 15, 2009, the Insider and The Balsillie Family Foundation each adopted an automatic securities disposition plan (each, a **Plan** and together, the **Plans**) pursuant to which the Insider and/or the Balsillie Family Foundation, as applicable, have exercised certain options (**Options**) to acquire common shares of RIM (**Shares**) and have sold or donated, and will sell or donate, certain Shares. In accordance with RIM's Insider Trading Policy, the Plans were pre-cleared by the Compensation, Nomination & Governance Committee of RIM's Board of Directors, which was and is comprised of independent directors. At the time of entry into the Plans, the Insider was not in possession of any material undisclosed information in relation to RIM.
6. Under the Plans, a registered investment dealer (the **Broker**) has been appointed as broker to effect the exercises of Options (**Exercises**) on behalf of the Insider and the sales and donations of Shares (each sale or donation, a **Disposition**) pursuant to the Plans. The Exercises and Dispositions have been and will be effected by the Broker subject to the terms and conditions of the Plans and in accordance with the pre-determined instructions which are appended to the Plans as to the date of exercise, the number or dollar value of Options to be exercised, the number or dollar

- value of Shares to be donated or sold, and other relevant information. Exercises and Dispositions under the Plans commenced on August 19, 2009. As of the date hereof, all Options subject to the Plans have been exercised pursuant to the Plans. All required insider reports have been filed in respect of such Exercises and Dispositions.
7. Apart from setting trading parameters when the Plans were established, the Insider has no authority, influence or control over any Exercises or Dispositions effected by the Broker pursuant to the Plans, and has agreed not to attempt to exercise any authority, influence or control over such Exercises or Dispositions.
  8. At the time of entry into the Plans, the Insider provided the Broker with a certificate of RIM confirming that RIM had pre-cleared the adoption of the Plans in accordance with RIM's Insider Trading Policy and certifying that, to the best of RIM's knowledge, the Insider was not in possession of material non-public information about RIM.
  9. The Insider's Plan provides for weekly sales of Shares up to a maximum value of Cdn\$360 million of sales over the up to 24-month duration of the Plan, subject to a limit order price.
  10. The Insider's Plan also provides for weekly donations of Shares to the Balsillie Family Foundation up to a maximum value of Cdn\$100 million of donations over the up to 24-month duration of the Plan, as well as weekly donations of Shares to the Centre for International Governance Innovation (CIGI) up to a maximum value of Cdn\$57 million of donations over the up to 24-month duration of the Plan, subject to limit order prices in certain cases. Under the terms of its Plan, the Balsillie Family Foundation will immediately sell the Shares received from the Insider, subject to certain pre-determined instructions which are contained in the Plan. Under the terms of a separate automatic security disposition plan entered by CIGI, it will immediately sell the Shares received from the Insider.
  11. Exercises and Dispositions under the Plans did not commence until after the expiry of a three-month cooling-off period following the adoption of the Plans in accordance with RIM's Insider Trading Policy.
  12. The Broker will execute Share sales under each of the Plans in accordance with principles of best execution and subject to volume restrictions intended to minimize any negative price impact of such sales on the market and to attempt to maximize the prices obtained for the Shares sold.
  13. The Plans will automatically terminate on the earliest to occur of:
    - (a) 4:00 p.m. (Eastern time) on May 15, 2011;
    - (b) Should the Insider die, the time on the date the Broker receives notice of the Insider's death; or
    - (c) 9:30 a.m. (Eastern time) on the date which is the 61st day after the Insider's employment at RIM has ceased for any reason.
  14. To modify, terminate or amend a Plan (other than in accordance with the termination provisions listed in paragraph 13 above), the Plan participant must contemporaneously (a) instruct the Broker to modify, terminate or amend the Plan, (b) notify RIM of such instruction, (c) notify the public of such instruction which filing shall include a representation that at the time of the modification or termination or amendment the Plan participant was not aware of or in possession of any material non-public information about RIM or any securities of RIM, and (d) provide the Broker with a certificate from RIM confirming that RIM has pre-cleared the modification, termination or amendment of the Plan in accordance with RIM's Insider Trading Policy and certifying that, to the best of RIM's knowledge, the Plan participant is not in possession of material non-public information about RIM.
  15. In the event of a modification or amendment to a Plan, or in the event that the Plan participant establishes a new plan after termination of the Plan, no Dispositions shall be effected during the thirty days immediately following such modification, amendment, or establishment of a new plan, other than Dispositions already provided for in the Plan prior to such modification or amendment.
- Decision**
- The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.
- The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Insider shall file a report, in the form prescribed for insider trading reports under the Legislation, disclosing on a transaction-by-transaction basis or in acceptable summary form (as such term is defined in National Instrument 55-101 Insider Reporting Exemptions):
- (a) all Dispositions of Shares under the Plans that have not been previously disclosed by or on behalf of the Insider

during a calendar year within 90 days of the end of the calendar year; and

- (b) all related acquisitions of control or direction over Shares as a result of donations of Shares to the Balsillie Family Foundation under the Plans that have not been previously disclosed by or on behalf of the Insider during a calendar year within 90 days of the end of the calendar year.

“James D. Carnwath”  
Ontario Securities Commission

“Paulette Kennedy”  
Ontario Securities Commission

## 2.1.10 Mike Lazaridis and Research In Motion Limited

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from the insider reporting requirements for insider in respect of exercise of options and the acquisition, transfer and disposition of common shares pursuant to automatic securities disposition plans, subject to insider filing an annual report of such transactions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S. 5, as am., ss. 107(2), 121(2)(a)(ii).

Ontario Securities Commission’s Staff Notice 55-701 Automatic Securities Disposition Plans and Automatic Purchase Plans.

January 22, 2010

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  
MIKE LAZARIDIS (THE INSIDER) AND  
RESEARCH IN MOTION LIMITED (RIM, AND  
COLLECTIVELY WITH THE INSIDER, THE FILERS)

DECISION

### Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption pursuant to section 121(2)(a)(ii) of the *Securities Act* (Ontario) (the **Act**) from the requirements set out in section 107(2) of the Act that the Insider file an insider report within 10 days of each (i) disposition of Shares effected pursuant to the Plans (as defined below) and (ii) acquisition of control or direction over Shares as a result of a donation of Shares to the Lazaridis Foundation (as defined below) pursuant to the Plans (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 Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador.

### 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 in this decision.

### Representations

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

1. RIM is a corporation amalgamated under the *Business Corporations Act* (Ontario).
2. RIM's registered and principal business office is 295 Phillip Street, Waterloo, Ontario, N2L 3W8.
3. RIM is a reporting issuer in each of the provinces of Canada and its Shares are listed for trading on the Toronto Stock Exchange and the NASDAQ Global Select Market.
4. The Insider is the President and Co-Chief Executive Officer of RIM and is an "insider" of RIM as that term is defined in the Legislation.
5. On May 14, 2009, the Insider, the Lazaridis Family Foundation, a charitable foundation established by the Insider (**Lazaridis Foundation**), and 1258701 Ontario Limited and 2063227 Ontario Inc., entities owned and controlled by the Insider, each adopted an automatic securities disposition plan (each, a **Plan** and together, the **Plans**). Pursuant to the Plans, the Insider, the Lazaridis Foundation, 1258701 Ontario Limited and/or 2063227 Ontario Inc., as applicable, have exercised certain options (**Options**) to acquire common shares of RIM (**Shares**) and have sold or donated, and will sell or donate, certain Shares. In accordance with RIM's Insider Trading Policy, the Plans were pre-cleared by the Compensation, Nomination & Governance Committee of RIM's Board of Directors, which was and is comprised of independent directors. At the time of entry into the Plans, the Insider was not in possession of any material undisclosed information in relation to RIM.
6. Under the Plans, a registered investment dealer (the **Broker**) has been appointed as broker to effect the exercises of Options (**Exercises**) on behalf of the Insider and the sales and donations of Shares (each sale or donation a **Disposition**) pursuant to the Plans. The Exercises and Dispositions have been and will be effected by the Broker subject to the terms and conditions of the Plans and in accordance with the pre-determined instructions which are appended to the Plans as to the date of exercise, the number of Options to be exercised, the number or dollar value of Shares to be donated or sold, and other relevant information. Exercises and Dispositions under the Plans commenced on August 10, 2009. As of the date hereof, all Options subject to the Plans have been exercised pursuant to the Plans. All required insider reports have been filed in respect of such Exercises and Dispositions.
7. Apart from setting trading parameters when the Plans were established, the Insider has no authority, influence or control over any Exercises or Dispositions effected by the Broker pursuant to the Plans, and has agreed not to attempt to exercise any authority, influence or control over such Exercises or Dispositions.
8. At the time of entry into the Plans, the Insider provided the Broker with a certificate of RIM confirming that RIM had pre-cleared the adoption of the Plans in accordance with RIM's Insider Trading Policy and certifying that, to the best of RIM's knowledge, the Insider was not in possession of material non-public information about RIM.
9. The Insider's Plans provide for weekly donations of Shares to the Lazaridis Foundation over the up to 22-month duration of the Plans, subject to limit order prices. The actual amount of the donations will depend on the market price of the Shares at the time of the donations. For example, using the market price for Shares at the time that the Plans were announced by RIM on May 21, 2009, the aggregate amount of donations would be approximately Cdn\$190 million. The Lazaridis Foundation will immediately sell the Shares received from the Insider, 1258701 Ontario Limited and 2063227 Ontario Inc., subject to a limit order price.
10. In addition to sales by the Lazaridis Foundation, the Plans also provide for weekly sales of Shares up to a maximum value of Cdn \$200 million over the up to 22-month duration of the Plans, subject to a limit order price.
11. Exercises and Dispositions under the Plans did not commence until after the expiry of a three-month cooling off period following the adoption of the Plans in accordance with RIM's Insider Trading Policy.
12. The Broker will execute Share sales under each of the Plans in accordance with principles of best execution and subject to volume restrictions intended to minimize any negative price impact of such sales on the market and to attempt to maximize the prices obtained for the Shares sold.

13. Each of the Plans will automatically terminate on the earliest to occur of:
- (a) 4:00 p.m. (Eastern time) on March 31, 2010 or February 28, 2011, depending on the particular Plan;
  - (b) The date on which all of the Shares subject to the Plan have been disposed of;
  - (c) The date when all Dispositions set forth in the schedules to the Plan have been completed;
  - (d) Three business days following the date upon which the Plan participant provides written notice to the Broker and notice to the public by way of filing on the System for Electronic Disclosure for Insiders (**SEDI**) providing reasons for such termination and including a representation that the Plan participant is not aware of any material non-public information about RIM and/or the securities of RIM and has no knowledge of a material fact, material change or privileged information (as defined under applicable Canadian securities laws) with respect to RIM or any securities of RIM that has not been generally disclosed.
  - (e) The date on which the Broker's investment advisor responsible for executing the Plan receives notice of (i) a publicly announced take-over bid or tender or exchange offer with respect to the Shares or merger, amalgamation, arrangement, acquisition, reorganization, recapitalization or comparable transaction affecting the securities of RIM as a result of which the Shares are to be exchanged or converted into cash and/or securities of another entity, or (ii) the commencement or impending commencement of any proceedings in respect of or triggered by the bankruptcy or insolvency of the Plan participant or (iii) in the case of the Insider's Plan, the death or mental incapacity of the Insider; and
  - (f) 9:30 a.m. (Eastern time) on the date which is the 61st day after the Insider's employment at RIM has ceased for any reason.
14. A Plan participant may amend or modify a Plan only upon the prior written consent of the Broker and RIM and upon notice to the public by way of public filing on SEDI providing reasons for such amendment or modification. Such notice to the public must include a representation that the Plan

participant is not aware of any material non-public information about RIM and/or the securities of RIM and has no knowledge of a material fact, material change or privileged information with respect to RIM or any securities of RIM that has not been generally disclosed.

15. In the event of a modification or amendment of a Plan, no Dispositions shall be effected during the thirty days immediately following such amendment or modification, other than Dispositions already provided for in the Plan prior to such amendment or modification.

#### Decision

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the Insider shall file a report, in the form prescribed for insider trading reports under the Legislation, disclosing on a transaction-by-transaction basis or in acceptable summary form (as such term is defined in National Instrument 55-101 Insider Reporting Exemptions):

- (a) all Dispositions of Shares under the Plans that have not been previously disclosed by or on behalf of the Insider during a calendar year within 90 days of the end of the calendar year; and
- (b) all related acquisitions of control or direction over Shares as a result of donations of Shares to the Lazaridis Foundation under the Plans that have not been previously disclosed by or on behalf of the Insider during a calendar year within 90 days of the end of the calendar year.

"James D. Carnwath"  
Ontario Securities Commission

"Paulette Kennedy"  
Ontario Securities Commission

2.1.11 Maxim Power Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to reporting issuer (Company A) from requirement to include historical financial statements of another reporting issuer (Company B) in Company A's information circular in connection with restructuring transaction under which securities are to be exchanged – As part of transaction, Company A will vertically amalgamate into Company B through plan of arrangement and shareholders of Company A will receive shares of amalgamated corporation (the resulting reporting issuer).

Business purpose of transaction is for Company A to acquire certain tax assets of Company B – Company B in default of continuous disclosure obligations under securities legislation – Company B under Companies' Creditors Arrangement Act (CCAA) protection – Company B recently disposed of substantially all of its assets, except for tax assets – In connection with transaction, CCAA court order will extinguish liabilities of Company B and shareholders of Company B will have their shares cancelled for nil consideration.

Business, directors and management of resulting reporting issuer immediately after completion of transaction will be substantially the same as Company A's business, directors and management immediately before completion of transaction – Exemption granted on condition that Company A's circular include alternative financial disclosure in respect of Company B.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 9.1(2)(a), 13.1.  
Form 51-102F5 Information Circular, item 14.2.

Citation: Maxim Power Corp., Re, 2010 ABASC 24

January 25, 2010

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

AND

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

AND

IN THE MATTER OF  
MAXIM POWER CORP.  
(MAXIM OR THE FILER)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement under the Legislation to provide:

- (a) financial statement disclosure with respect to EarthFirst Canada Inc. (**EarthFirst**) for the years ended December 31, 2007 and 2008 and the nine months ended September 30, 2009 and September 30, 2008 (the **Financial Statements**);
- (b) a pro forma income statement of New Maxim (as defined herein) that gives effect to the Business Combination (as defined herein) as if it had taken place at the beginning of that financial year, for each of the following financial periods: (A) the financial year ended December 31, 2008; and (B) the interim period ended September 30, 2009;
- (c) a pro forma balance sheet of New Maxim that gives effect to the Business Combination as at September 30, 2009; and
- (d) pro forma earnings per share based on the pro forma financial statements referred to in paragraph (b) above (collectively the **Pro Forma Financial Statements**),

in the management information circular (the **Circular**) to be prepared by the Filer and delivered to the holders (**Maxim Shareholders**) of shares (**Maxim Shares**) of Maxim in connection with a special meeting of Maxim Shareholders expected to be held on March 2, 2010 to consider the Business Combination (as defined herein) provided the Filer includes the Alternative Financial Disclosure (as defined herein) in the Circular (the **Requested Relief**).

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

- (a) the Alberta Securities Commission is the principal regulator for the application;
- (b) the Filer has provided notice that Sub-section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia; and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 *Passport System* 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:

### Maxim

1. Maxim is a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) (**ABCA**). The principal office of Maxim is located in Calgary, Alberta.
2. Maxim is an independent power producer, which acquires or develops, owns and operates innovative and environmentally responsible power projects. Maxim currently owns and operates 39 power plants in western Canada, United States and France, having 788 MW of electric and 137 MW of thermal net generating capacity.
3. Maxim is a reporting issuer or the equivalent under the securities legislation of British Columbia, Alberta and Ontario. To its knowledge, Maxim is not in default of securities legislation in any jurisdiction of Canada.
4. The Maxim Shares are listed on the Toronto Stock Exchange (**TSX**) under the symbol "MXG".
5. Maxim has filed an "AIF" and has "current annual financial statements" (as such terms are defined in National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**)) for the financial year ended December 31, 2008.

### EarthFirst

6. EarthFirst is a corporation incorporated under the *Canada Business Corporations Act* (**CBCA**). The principal office of EarthFirst is located in Calgary, Alberta.
7. EarthFirst is engaged in the business of wind energy project development. EarthFirst acquired a number of projects since its incorporation on December 8, 2004. The Dokie Project (as defined herein) was the first project EarthFirst attempted to develop.
8. EarthFirst is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
9. The common shares of EarthFirst are suspended from trading on the TSX and not otherwise listed or posted for trading on any exchange or quotation and trading reporting system.
10. Prior to the Business Combination (as defined herein), all of EarthFirst's liabilities will be extinguished with respect to EarthFirst by a court

order (**CCAA Order**) under the *Companies' Creditor Arrangement Act* (**CCAA**).

11. EarthFirst's liabilities materially exceed its assets prior to the CCAA Order.

### CCAA Proceedings

12. Pursuant to an initial order granted by the Alberta Court of Queen's Bench (the **Court**) on November 4, 2008, EarthFirst was granted protection from its creditors pursuant to the provisions of the CCAA by way of a stay of proceedings. With respect to the Business Combination, the Court has ordered that holders of securities of EarthFirst shall not be entitled to vote on the transactions contemplated by the Arrangement Agreement (as defined herein) and shall not be entitled to the right to dissent with respect to the transactions contemplated by the Arrangement Agreement notwithstanding any applicable provisions of the *Canada Business Corporations Act* or any other applicable law. It is anticipated that EarthFirst will not be discharged under the CCAA until immediately prior to closing of the Business Combination.

### Potential Business Combination

13. Maxim has proposed entering into a business combination with Maxim, EarthFirst and 1494423 Alberta Ltd. (**EarthFirst Subco**) (the **Business Combination**).
14. In connection with the Business Combination, on October 7, 2009, Maxim, EarthFirst and EarthFirst Subco entered into an arrangement agreement dated October 7, 2009 (the **Arrangement Agreement**) to implement a plan of arrangement (the **Plan of Arrangement**) under Section 193 of the ABCA.
15. The Arrangement Agreement is subject to certain conditions including completion of the transactions contemplated by the Asset Purchase Agreement, as amended, dated May 20, 2009 (the **Dokie Agreement**) between EarthFirst and GE Energy Financial Services Company, whereby GE Energy Financial Services Company agreed to purchase assets relating to the Dokie Project of EarthFirst (the **Dokie Project**). The transactions contemplated by the Dokie Agreement were completed on December 11, 2009.
16. Pursuant to the Plan of Arrangement, Maxim will make an investment (the **EarthFirst Investment**) in EarthFirst of \$5,000,000, subject to adjustment in accordance with the Arrangement Agreement, and the EarthFirst Investment and all of the property and assets of EarthFirst immediately prior to the effective time of the Business Combination whether real or personal, tangible or intangible, of every kind and description and wheresoever

situate, but excluding the assets that comprise EarthFirst's Buffalo Atlee wind energy development project (the **Project Assets**) and books and records, shall be transferred, assigned and conveyed for and on behalf of the creditors and shareholders of EarthFirst on an "as is where is" basis and without any recourse to EarthFirst whatsoever.

17. Subject to certain conditions, Maxim has agreed in the Arrangement Agreement to provide funding to EarthFirst during proceedings under the CCAA by way of a loan of up to \$500,000 (the **Expenses Loan**). Any amounts outstanding under the Expenses Loan at the time of completion of the Business Combination would reduce Maxim's obligation to advance the EarthFirst Investment to EarthFirst in connection with the completion of the Business Combination.
18. Prior to the Business Combination, all of EarthFirst's liabilities would be extinguished with respect to EarthFirst by the CCAA Order.
19. Pursuant to the Plan of Arrangement, Maxim will be amalgamated with EarthFirst Subco, a wholly owned subsidiary of EarthFirst, and the entity resulting from such amalgamation will be amalgamated with EarthFirst (with the entity resulting from such amalgamation being named Maxim Power Corp. and being referred to herein as **New Maxim**). Pursuant to the Plan of Arrangement, all Maxim Shares will be exchanged, indirectly, on a one-for-one basis for common shares of New Maxim and such common shares will have the same rights and privileges as the Maxim Shares. All securities of EarthFirst outstanding immediately prior to implementation of the Plan of Arrangement will be cancelled for nil consideration pursuant to the Plan of Arrangement.
20. Following the completion of the Business Combination: (i) the business of New Maxim would be the current business of Maxim; (ii) New Maxim would be the successor to Maxim; and (iii) the common shares of New Maxim would, subject to approval by the TSX, be listed on the TSX.
21. The proposed Business Combination will constitute a "restructuring transaction" under National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) for Maxim.
22. Pursuant to Maxim's constating documents and applicable corporate and securities laws, the Business Combination must be approved by two-thirds of the votes cast by the Maxim Shareholders entitled to vote in person or by proxy at the special meeting of Maxim Shareholders. The special meeting is anticipated to take place on March 2, 2010 and the Circular is expected to

be mailed in early February 2010 subject to receipt of the Requested Relief.

*Financial Statements in the Circular*

23. Pursuant to Section 14.2 of Form NI 51-102F5 *Information Circular* (the **Circular Form**) of NI 51-102 (which requires compliance with National Instrument 41-101 *General Prospectus Requirements* (**NI 41-101**) and therefore with Form 41-101F1 *Information Required in a Prospectus* (the **Prospectus Form**)), Maxim is required to include the Financial Statements and Pro Forma Financial Statements in the Circular.
24. Other than Financial Statements and Pro Forma Financial Statements, the Circular will contain disclosure in accordance with the Circular Form and the Prospectus Form and will contain:
  - (a) audited statements of income, retained earnings and cash flows for each of the years ended December 31, 2008 and 2009 and audited balance sheets as at December 31, 2008 and 2009 in respect of the Project Assets and unaudited statements of income, retained earnings and cash flows for the interim period ended September 30, 2009 and unaudited balance sheet as at September 30, 2009 in respect of the Project Assets;
  - (b) a pro forma income statement of New Maxim that gives effect to the Business Combination as if it had taken place at the beginning of that financial year and prepared on the basis that, at each relevant time, the only assets of EarthFirst were the Project Assets and the only liabilities of EarthFirst were those related to the Project Assets, for each of the following financial periods: (A) the financial year ended December 31, 2008; and (B) the interim period ended September 30, 2009; and
  - (c) a pro forma balance sheet of New Maxim that gives effect to the Business Combination as at September 30, 2009 and prepared on the basis that, at this date, the only assets of EarthFirst were the Project Assets and the only liabilities of EarthFirst were those related to the Project Assets;

(the disclosure referenced in paragraphs 24(a) through (c) above being referred to herein as the **Alternative Financial Disclosure**).
25. After the sale of the Dokie Project pursuant to the Dokie Agreement and the CCAA Order, EarthFirst will only have assets of nominal value and no



liabilities. The Project Assets comprise a very immaterial portion of the assets of EarthFirst prior to giving effect to such transactions (less than 1% of the total assets of EarthFirst excluding certain tax attributes based on the June 30, 2008 interim financial statements, which are the last available interim financial statements of EarthFirst, and based on the last offer received by EarthFirst from an arms' length party earlier this year would be worth approximately \$65,000).

26. No income has ever been generated by EarthFirst from the Project Assets and, immediately upon completion of the Business Combination, New Maxim will not be subject to any liabilities or obligations, current, future, contingent or otherwise, in respect of the Project Assets.
27. The Project Assets are at such a state that Maxim would have to make significant investment in wind power generating infrastructure before being able to generate income from the project, but in any event, Maxim would not be able to generate income until at least November 30, 2012, the current proposed date the Alberta Electrical System Operator will complete the electrical interconnection.
28. Historical entity level financial statements that would reflect only EarthFirst's former operations and primarily information related to or derived from the Dokie Project would not assist Maxim Shareholders with their assessment of the business that would be carried on by New Maxim on completion of the Business Combination and are likely to be misleading or confusing to Maxim Shareholders as New Maxim will have no interest in the Dokie Project.

#### 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 Requested Relief is granted provided that the Filer includes in the Circular the Alternative Financial Disclosure.

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

#### 2.1.12 Student Transportation of America ULC – s. 1(10)

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

##### Ontario Statutes

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

January 26, 2010

Student Transportation of America ULC  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M5H 2S7

Dear Sirs/Mesdames:

**Re: Student Transportation of America ULC (the "Applicant") – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon (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 not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

- (a) 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;
- (b) 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;
- (c) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*; 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

**2.2 Orders**

**2.2.1 IMG International Inc. et al. – ss. 127(1), 127(8)**

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

**AND**

**IN THE MATTER OF  
IMG INTERNATIONAL INC.,  
INVESTORS MARKETING GROUP  
INTERNATIONAL INC. AND MICHAEL SMITH**

**ORDER**

**(Sections 127(1) & 127(8) of the Securities Act)**

**WHEREAS** on June 11, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that all trading in securities by IMG International Inc./Investors Marketing Group International Inc. ("IMG") and Michael Smith ("Smith") shall cease;

**AND WHEREAS** on June 11, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

**AND WHEREAS** on June 19, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on June 24, 2009 at 10:00 a.m.;

**AND WHEREAS** the Commission held a Hearing on June 24, 2009, where counsel for Staff attended but no one attended for IMG or Smith before the Commission;

**AND WHEREAS** on June 24, 2009 the Commission made an order extending the Temporary Order until October 7, 2009 and adjourning the hearing to October 6, 2009;

**AND WHEREAS** the Commission held a Hearing on October 6, 2009, where counsel for Staff attended but no one attended for IMG or Smith before the Commission;

**AND WHEREAS** Staff advised that it has received a voice mail from Smith, and has served the applicable materials on the respondents to the email address provided by Smith, but has had no substantive contact with Smith or IMG;

**AND WHEREAS** the Commission is satisfied that Staff has taken reasonable steps to give notice of the hearing to the respondents;

**AND WHEREAS** on October 6, 2009, the Commission extended the Temporary Order to December 10, 2009, and adjourned the hearing to December 9, 2009;

**AND WHEREAS** the Commission held a Hearing on December 9, 2009, where counsel for Staff attended in person and the respondents did not attend;

**AND WHEREAS** Counsel for Staff advised that proceedings would likely be commenced prior to January 7, 2010;

**AND WHEREAS** on December 9, 2009, the Commission extended the Temporary Order to January 8, 2010, and adjourned the hearing to January 7, 2010;

**AND WHEREAS** the Commission held a Hearing on January 7, 2010, where counsel for Staff attended in person and the respondents did not attend;

**AND WHEREAS** Staff advised that the commencement of proceedings had been delayed by virtue of continued discussion with a potential respondent;

**AND WHEREAS** on January 7, 2010, the Commission extended the Temporary Order to January 25, 2010, and adjourned the hearing to January 22, 2010;

**AND WHEREAS** the Commission held a Hearing on January 22, 2010, where counsel for Staff attended in person and the respondents did not attend;

**AND WHEREAS** Staff advised that the respondents, although on notice of the proceeding, including a copy of the Order made by the Commission on January 7, 2010, have not further communicated with Staff since Smith sent an email to Staff on July 6, 2009;

**AND WHEREAS** Staff advised that Staff have filed a Statement of Allegations dated January 18, 2010 and the Commission has issued a Notice of Hearing dated January 18, 2010;

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

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

**IT IS HEREBY ORDERED** pursuant to section 127(8) that the Temporary Order is extended to the end of the hearing on the merits;

**IT IS FURTHER ORDERED** that the hearing is adjourned to January 28, 2010 at 10:00 a.m.

**DATED** at Toronto this 22nd day of January 2010.

“Carol S. Perry”

**2.2.2 Nest Acquisitions and Mergers and Caroline Frayssignes – ss. 127(1), 127(8)**

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

**AND**

**IN THE MATTER OF  
NEST ACQUISITIONS AND MERGERS AND  
CAROLINE FRAYSSIGNES**

**ORDER  
(Sections 127(1) & 127(8) of the Securities Act)**

**WHEREAS** on April 8, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that all trading in securities by Nest Acquisitions and Mergers ("Nest") and Caroline Frayssignes ("Frayssignes") shall cease;

**AND WHEREAS** on April 8, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

**AND WHEREAS** on April 15, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 22, 2009 at 2:00 p.m.;

**AND WHEREAS** Staff served Nest and Frayssignes with the Notice of Hearing on April 16, 2009 by sending a copy by email to counsel for Nest and Frayssignes;

**AND WHEREAS** the Commission held a Hearing on April 22, 2009 and counsel for Staff and an agent for counsel for the respondents attended before the Commission;

**AND WHEREAS** counsel for Staff provided the Commission with a signed consent to an order extending the Temporary Order until May 21, 2009;

**AND WHEREAS** on April 22nd, 2009, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order be extended as against the respondents to May 22, 2009 and that the hearing be adjourned to May 21, 2009 at 2:00 p.m.;

**AND WHEREAS** the Commission held a Hearing on May 21, 2009, in writing, and counsel for Staff and counsel for the respondents consented to an order extending the Temporary Order until June 17th, 2009 and adjourning the Hearing until June 16th, 2009 at 2:00 p.m.;

**AND WHEREAS** the Commission held a Hearing on June 16, 2009, where counsel for Staff and counsel for

the respondents attended in person and consented to an order extending the Temporary Order until October 7, 2009 and adjourning the hearing to October 6, 2009;

**AND WHEREAS** on June 16, 2009 the Commission ordered pursuant to subsection 127(8) of the Act, that the Temporary Order be extended as against the respondents to October 7, 2009 and that the hearing be adjourned to October 6, 2009;

**AND WHEREAS** the Commission held a Hearing on October 6, 2009, where counsel for Staff and counsel for the respondents attended in person and consented to an order extending the Temporary Order to December 10, 2009 and adjourning the hearing to December 9, 2009;

**AND WHEREAS** the Commission held a Hearing on December 9, 2009, where counsel for Staff attended in person and counsel for the respondents did not attend.

**AND WHEREAS** Counsel for Staff advised that proceedings would likely be commenced prior to January 7, 2010;

**AND WHEREAS** the parties consented to an order extending the Temporary Order to January 8, 2010 and adjourning the hearing to January 7, 2010 at 10:00 a.m.;

**AND WHEREAS** on December 9, 2009, the Commission extended the Temporary Order to January 8, 2010, and adjourned the hearing to January 7, 2010;

**AND WHEREAS** the Commission held a Hearing on January 7, 2010, where counsel for Staff attended in person and the respondents, although on notice of the hearing, did not attend;

**AND WHEREAS** Staff advised that the commencement of proceedings had been delayed by virtue of continued discussion with a potential respondent;

**AND WHEREAS** on January 7, 2010, the Commission extended the Temporary Order to January 25, 2010, and adjourned the hearing to January 22, 2010;

**AND WHEREAS** the Commission held a Hearing on January 22, 2010, where counsel for Staff attended in person and the respondents did not attend;

**AND WHEREAS** Staff advised that Staff have filed a Statement of Allegations dated January 18, 2010 and the Commission has issued a Notice of Hearing dated January 18, 2010;

**AND WHEREAS** Staff advised that the respondents consent to an order extending the Temporary Order until the end of the hearing on the merits;

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

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

**IT IS HEREBY ORDERED** pursuant to section 127(8) that the Temporary Order is extended to the end of the hearing on the merits;

**IT IS FURTHER ORDERED** that the hearing is adjourned to January 28, 2010 at 10:00 a.m.

**DATED** at Toronto this 22nd day of January 2010.

“Carol S. Perry”

2.2.3 **IBK Capital Corp. and William F. White – 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  
IBK CAPITAL CORP. AND WILLIAM F. WHITE**

**ORDER  
(Sections 127 and 127.1)**

**WHEREAS** on November 12, 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 a Statement of Allegations dated November 12, 2009;

**AND WHEREAS** on November 12, 2009 counsel for the Respondents, IBK Capital Corp. (“IBK”) and William F. White (“White”) were served with the Notice of Hearing and Statement of Allegations;

**AND WHEREAS** on December 2, 2009, a hearing was held before the Commission and the Commission ordered that the hearing be adjourned to January 20, 2010;

**AND WHEREAS** on January 20, 2010, a hearing was held before the Commission;

**AND WHEREAS** Staff of the Commission and counsel for the respondents advised the Commission that they were agreeable to scheduling a pre-hearing conference on April 8, 2010;

**IT IS ORDERED THAT** a pre-hearing conference shall take place on April 8, 2010 at 10:00 a.m.

**DATED** at Toronto this 20th day of January, 2010

“David L. Knight”

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke

THERE ARE NO ITEMS FOR THIS WEEK.

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

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09		
Garrison International Ltd.	29 Oct 09	10 Nov 09	10 Nov 09		
Toxin Alert Inc.	06 Nov 09	18 Nov 09	18 Nov 09		
Seprotech Systems Incorporated	30 Dec 09	11 Jan 10	11 Jan 10		

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## Chapter 7

# Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
01/18/2010	2	01 Communique Laboratory Inc. - Debentures	1,100,000.00	11.00
01/08/2010	1	80/20 Solutions Inc. - Preferred Shares	150,000.00	871,586.00
12/29/2009	3	Abitibi Mining Corp. - Common Shares	480,000.00	1,600,000.00
12/23/2009	4	Abitibi Mining Corp. - Flow-Through Shares	500,000.00	10,000,000.00
12/23/2009	36	African Queen Mines Ltd. - Units	2,359,522.00	3,932,538.00
12/23/2009	16	Alexandria Minerals Corporation - Flow-Through Shares	629,620.00	4,497,286.00
12/23/2009	56	Alexco Resource Corp. - Flow-Through Shares	9,500,000.00	2,375,000.00
12/30/2009	11	Alix Resources Corp. - Units	83,500.00	1,670,000.00
12/31/2009	8	All Canadian Investment Corporation - Units	256,000.00	256.00
01/11/2010	33	Alston Ventures Inc. - Units	528,800.10	3,525,334.00
12/23/2009	3	Amador Gold Corp. - Flow-Through Shares	1,100,000.00	13,750,000.00
12/17/2009	29	Arsenal Energy Inc. - Common Shares	5,500,000.00	8,000,000.00
01/07/2010	12	Asian Mineral Resources Limited - Units	5,900,000.00	59,000,000.00
12/21/2009	62	Atikwa Resources Inc. - Common Shares	1,625,212.31	21,669,497.00
12/24/2009	59	Atikwa Resources Inc. - Common Shares	2,001,900.76	26,692,010.00
01/13/2010	1	Australia and New Zealand Banking Group Limited - Notes	30,909,951.54	N/A
12/22/2009	2	Bering Media Inc. - Preferred Shares	1,700,000.00	N/A
11/20/2009	28	Bering Media Inc. - Preferred Shares	1,183,555.01	N/A
12/01/2009	1	Blackstone Partners Offshore Fund Ltd. - Common Shares	80,000,000.00	N/A
01/08/2010	10	Blind Creek Resources Ltd. - Common Shares	260.00	N/A
01/04/2010	1	BNP Paribas (Canada) - Debt	2,759,710.00	N/A
01/01/2010	1	BPS Resolver Inc. - Preferred Shares	2,500,000.00	2,500,000.00
12/30/2009	31	Caledonian Royalty Corporation - Units	46,700,000.00	4,670,000.00
12/21/2009	7	CanAlaska Uranium Ltd. - Flow-Through Shares	314,223.00	N/A
12/21/2009	5	CanAlaska Uranium Ltd. - Units	1,907,075.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
11/26/2009	5	Candorado Operating Company Ltd. - Flow-Through Shares	405,000.00	8,100,000.00
12/22/2009	13	Cannasat Therapeutics Inc. - Debt	185,287.00	N/A
12/23/2009	4	Caspian Energy Inc. - Common Shares	0.00	23,188,931.00
12/21/2009	15	Channel Resources Ltd. - Units	253,000.00	3,162,500.00
01/13/2010	1	Consolidated Spire Ventures Ltd. - Common Shares	210,000.00	6,600,000.00
12/23/2009 to 12/30/2009	4	Development Notes Limited Partnership - Units	323,591.00	323,591.00
12/30/2009	1	Development Notes Limited Partnership - Units	14,157.00	14,157.00
01/15/2010	2	DexCom, Inc. - Common Shares	170,764.20	20,000.00
12/24/2009	3	Diablo Technologies Inc. - Preferred Shares	1,200,000.00	N/A
11/18/2009	12	Dollar General Corporation - Common Shares	7,929,180.00	39,215,000.00
12/29/2009	5	Eaglecrest Explorations Ltd. - Common Shares	580,000.00	1,160,000.00
12/18/2009	11	Element Four Technologies Inc. - Common Shares	252,541.00	196,798.00
12/16/2009	34	Eloro Resources Ltd. - Units	1,000,000.00	10,000,000.00
12/22/2009 to 12/30/2009	31	Enterprise Oilfield Group Inc. - Common Shares	1,105,000.00	6,500,000.00
12/18/2009	22	Fancamp Exploration Ltd. - Flow-Through Shares	1,793,500.00	N/A
12/31/2009	56	Fifth Avenue Diversified Inc. - Common Shares	857,450.00	18,568,000.00
12/21/2009	33	Fire River Gold Corp. - Units	3,000,000.00	6,000,000.00
12/24/2009 to 12/29/2009	2	First Leaside Expansion Limited Partnership - Units	105,000.00	105,000.00
12/30/2009 to 12/31/2009	4	First Leaside Expansion Limited Partnership - Units	327,625.00	327,625.00
12/31/2009	2	First Leaside Fund - Trust Units	210,272.41	200,910.00
12/30/2009 to 01/04/2010	3	First Leaside Fund - Trust Units	98,000.00	98,000.00
01/04/2010	1	First Leaside Fund - Trust Units	45,000.00	45,000.00
12/24/2009	1	First Leaside Fund - Units	150,000.00	150,000.00
12/23/2009 to 12/29/2009	10	First Leaside Fund - Units	103,984.00	103,984.00
01/05/2010 to 01/12/2010	3	First Leaside Fund - Units	593,995.00	593,995.00
01/06/2010 to 01/12/2010	7	First Leaside Fund - Units	35,000.00	35,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
12/23/2009 to 12/29/2009	7	First Leaside Premier Limited Partnership - Units	615,982.44	639,706.00
12/30/2009 to 12/31/2009	8	First Leaside Premier Limited Partnership - Units	434,333.95	412,658.00
12/23/2009 to 12/29/2009	24	First Leaside Progressive Limited Partnership - Units	3,747,555.00	3,747,555.00
12/30/2009 to 12/31/2009	12	First Leaside Progressive Limited Partnership - Units	1,528,038.00	1,528,038.00
12/24/2009	1	First Leaside Wealth Management Inc. - Preferred Shares	250,000.00	250,000.00
01/08/2010	1	First Leaside Wealth Management Inc. - Preferred Shares	25,000.00	25,000.00
03/09/2009	4	Frontenac Ventures Corp. - Common Shares	80,000.00	N/A
11/30/2009	1	General Motors Acceptance Corporation of Canada, Limited - Notes	200,442.38	2,004.42
10/27/2009	1	Georgian Partners Growth Fund 1, L.P. - Limited Partnership Interest	1,000,000.00	N/A
01/13/2010	7	Gibson Energy ULC and GEP Midstream Finance Corp. - Notes	82,386,426.15	82,000.00
12/30/2009	36	Gilead Power Corporation - Units	2,083,000.00	N/A
12/22/2009	49	Gold Bullion Development Corp. - Units	891,452.97	N/A
12/23/2009	5	Golden Chalice Resources Inc. - Common Shares	1,000,000.00	7,142,857.00
12/18/2009	32	Golden Hope Mines Limited - Units	984,200.00	8,201,666.00
12/17/2009	72	Gowest Amalgamated Resources Ltd. - Units	6,572,687.86	N/A
12/23/2009	2	Greenock Resources Inc. - Common Shares	185,500.00	2,650,000.00
12/22/2009	35	GWR Resources Inc. - Common Shares	532,636.80	4,438,640.00
12/30/2009	3	GWR Resources Inc. - Common Shares	27,600.00	230,000.00
01/04/2010	4	Harmony Capital Growth L.P. - Limited Partnership Interest	461,929.80	N/A
01/08/2010	33	Headplay International Inc. - Units	2,655,000.00	5,310,000.00
12/24/2009	2	Hedgeforum Paulson Advantage Offshore Ltd. - Units	1,094,415.00	-1.00
01/05/2010 to 01/12/2010	6	IGW Real Estate Investment Trust - Trust Units	176,306.07	176,530.00
01/08/2010	15	InfraReDx Inc. - Notes	2,139,164.55	N/A
12/23/2009	58	Isee3D Inc. - Common Shares	3,300,000.00	4,400,000.00
01/14/2010	2	Jarden Corporation - Notes	508,632.64	500.00
12/23/2009	51	Jiminex Inc. - Flow-Through Shares	1,176,271.89	5,657,599.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
12/23/2009	2	Kalahari Resources Inc. - Flow-Through Shares	400,000.00	6,153,846.00
01/07/2010	3	Kansas City Southern de Mexico, S.A. de C.V. - Notes	18,106,616.14	17,750.00
12/23/2009	4	Klondike Gold Corp. - Common Shares	800,000.00	N/A
12/23/2009	6	Klondike Silver Corp. - Common Shares	750,000.00	11,538,462.00
12/31/2009	47	Lateegra Gold Corp. - Common Shares	1,173,575.00	N/A
01/06/2010	1	Level 3 Financing, Inc. - Notes	5,062,729.94	5,000.00
12/23/2009	1	Lions Peak International Innovation Fund L.P. - Limited Partnership Units	25,000.00	25.00
01/08/2010	69	McConachie Development Investment Corporation - Units	1,491,450.00	149,145.00
01/08/2010	35	McConachie Development Limited Partnership - Units	3,003,450.00	300,345.00
12/15/2009 to 12/17/2009	20	MetalCORP Limited - Units	1,339,925.17	7,242,835.00
01/08/2010	25	Mirabela Nickel Limited - Warrants	12,265,000.00	N/A
12/31/2009	15	Nebu Resources Inc. - Units	655,000.00	2,183,333.00
12/07/2009	1	Neilas (Shepherd Road) Limited Partnership - Limited Partnership Units	25,000.00	N/A
01/16/2010	31	Nelson Financial Group Ltd. - Notes	2,055,046.67	N/A
12/31/2009	1	Northern Platinum Ltd. - Flow-Through Shares	100,000.00	N/A
12/15/2009	1	PAKIT Inc. - Common Shares	5,000.00	5,000.00
12/30/2009	26	Panorp Minerals Ltd. - Units	622,800.00	3,114,000.00
12/18/2009	14	Paragon Minerals Corporation - Flow-Through Shares	799,999.50	N/A
01/06/2010	1	Phoenix Oilfield Hauling Inc. - Common Shares	40,000.00	500,000.00
01/07/2010	3	Qwest Communications International Inc. - Notes	28,530,668.32	28,000.00
12/22/2009 to 12/23/2009	4	Rockport Mining Corporation - Common Shares	1,625,000.00	3,000,000.00
12/24/2009	12	Rye Patch Gold Corp. - Units	5,207,500.00	20,830,000.00
12/18/2009	4	Sage Gold Inc. - Flow-Through Shares	804,000.00	-11.00
12/23/2009	2	Sedex Mining Corp. - Common Shares	100,000.00	10,000,000.00
12/22/2009	1	Sheltered Oak Resources Corp. - Common Shares	2,000,000.00	2,000,000.00
12/31/2009	108	Signalta Resources Limited - Units	46,362,000.00	N/A
12/23/2009	23	Silver Quest Resources Ltd. - Units	1,400,000.00	4,000,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
12/17/2009	12	Sino-Forest Corporation - Notes	15,790,750.00	N/A
01/14/2010	1	SL Green Realty Corp. - Common Shares	11,694,974.75	485,000.00
12/31/2009	3	SNL Enterprises Ltd. - Common Shares	965,220.00	14,920,000.00
11/26/2009	1	Solid Gold Resources Corp. - Units	250,000.00	N/A
12/23/2009	23	Source Exploration Corp. - Common Shares	825,000.00	N/A
12/18/2009	31	Sparton Resources Inc. - Flow-Through Shares	1,785,000.00	4,500,000.00
01/14/2010	1	Stat Health Services Inc. - Common Shares	51,152.50	66,667.00
12/07/2009	31	Stone 2009-WCP Flow-Through Limited Partnership - Limited Partnership Units	1,790,000.00	71,600.00
01/04/2010	12	Tech Link International Entertainment Limited - Units	1,110,000.00	1,110,000.00
01/11/2010	2	The Scotts Miracle-Gro Company - Notes	3,584,012.31	3,500.00
12/21/2009	9	Treasury Metals Inc. - Flow-Through Shares	999,999.90	2,222,222.00
12/31/2009	4	Tres-Or Resources Ltd. - Units	128,000.00	1,066,666.00
12/24/2009	15	True North Gems Inc. - Units	500,200.00	5,002,000.00
01/12/2010	2	TURKIYE CUMHUIYETi - Notes	21,268,750.00	N/A
12/11/2009	7	Tyhee Development Corp. - Common Shares	1,500,000.00	7,500,000.00
04/23/2009 to 07/24/2009	8	UBS (CH) Global Alpha Strategies (CHF) - Units	1,361,914.18	1,204.27
12/01/2009	34	Unigold Inc. - Units	10,675,150.00	N/A
06/16/2006 to 10/13/2009	16	Valt.X Holdings Inc. - Notes	1,532,803.50	33.00
10/31/2009	22	Vortaloptics Inc. - Common Shares	322,143.68	1,267,004.00
12/29/2009	2	Walbridge Mining Company Limited - Flow-Through Shares	29,700.00	110,000.00
01/08/2010	40	Walton AZ Mystic Vista Limited Partnership - Limited Partnership Units	1,233,728.88	119,270.00
01/08/2010	33	Walton TX Austin Land Investment Corporation - Common Shares	845,720.00	84,572.00
01/08/2010	13	Walton TX Austin Land Limited Partnership - Limited Partnership Units	1,163,981.70	112,462.00
01/08/2010	38	Waseca Energy Inc. - Common Shares	19,954,022.40	33,256,704.00
12/22/2009 to 12/30/2009	16	Wimberly Apartments Limited Partnership - Units	681,641.80	257,577.00
12/30/2009 to 12/31/2009	6	Wimberly Apartments Limited Partnership - Units	137,318.38	186,466.00
12/23/2009	3	Zinccorp Resources Inc. - Common Shares	1,200,000.00	14,117,647.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Alexco Resource Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Preliminary Short Form Prospectus dated January 20, 2010

NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$25,725,000.00 - 7,350,000 COMMON SHARES - Price: \$3.50 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
Cormark Securities Inc.

**Promoter(s):**

-

**Project #1525212**

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**Issuer Name:**

Anderson Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated January 20, 2010

NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$27,912,500.00 - 19,250,000 Common Shares - Price: \$1.45 per Common Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.

Cormark Securities Inc.

National Bank Financial Inc.

CIBC World Markets Inc.

GMP Securities L.P.

**Promoter(s):**

-

**Project #1525659**

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**Issuer Name:**

Aura Minerals Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated January 21, 2010

NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

\$100,800,000.00 -24,000,000 Common Shares - Price:\$4.20 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
Wellington West Capital Markets Inc.

Raymond James Ltd.

Dundee Securities Corporation

Genuity Capital Markets

**Promoter(s):**

-

**Project #1526152**

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**Issuer Name:**

Avanti Mining Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated January 21, 2010

NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

GMP Securities L.P.

Macquarie Capital Markets Canada Ltd.

**Promoter(s):**

-

**Project #1526160**



**Issuer Name:**

Bellamont Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

\$20,000,000.00 - 25,000,000 Subscription Receipts each  
representing the right to receive one Class A Share - Price:  
\$0.80 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

FirstEnergy Capital Corp.  
RBC Dominion Securities Inc.  
GMP Securities L.P.  
National Bank Financial Inc.  
Haywood Securities Inc.  
J. F. Mackie & Company Ltd.

**Promoter(s):**

-

**Project #1526890**

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**Issuer Name:**

Brett Resources Inc.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$26,092,500.00 - 12,425,000 Common Shares - Price:  
\$2.10 per Common Share

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation  
Canaccord Financial Limited  
Cormark Securities Inc.

**Promoter(s):**

-

**Project #1525739**

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**Issuer Name:**

Canadian Focused Balanced Fund  
Canadian Focused Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

Class O, F, I, P, R and S Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

SEI Investments Canada Company  
**Project #1526780**

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**Issuer Name:**

CORUS Entertainment Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Shelf Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$500,000,000.00  
Debt Securities

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1526478**

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**Issuer Name:**

Crombie Real Estate Investment Trust  
Principal Regulator - Nova Scotia

**Type and Date:**

Preliminary Short Form Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$45,000,000.00 - 5.75% Series C Convertible Unsecured  
Subordinated Debentures - Price: \$1,000.00 per Debenture

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Canaccord Financial Ltd.  
Macquarie Capital Markets Canada Ltd.  
Beacon Securities Limited  
Raymond James Ltd.  
Jennings Capital Inc.

**Promoter(s):**

-

**Project #1526404**

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**Issuer Name:**

Extencicare Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$75,033,750.00 - 8,025,000 REIT Units - Price: \$9.35 per  
REIT Unit

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Versant Partners Inc.

**Promoter(s):**

-

**Project #1525669**

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**Issuer Name:**

First Trust Raymond James Canadian Focus Picks  
Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

Series A and F Shares

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

First Defined Portfolio Management Co.

Project #1527139

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**Issuer Name:**

Harvest Global Transportation Plus Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$ \* - \* Units - Price: \$12.00 per Unit (Minimum Purchase:  
200 Units)

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Market Inc.  
RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
HSBC Securities (Canada) Inc.  
Dundee Securities Corporation  
Raymond James Ltd.  
Canaccord Financial Ltd.  
Macquarie Capital Markets (Canada) Ltd.  
Wellington West Capital Markets Inc.  
Desjardins Securities Inc.  
Industrial Alliance Securities Inc.

**Promoter(s):**

Harvest Portfolios Group Inc.

Project #1526166

---

**Issuer Name:**

Lanesborough Real Estate Investment Trust  
Principal Regulator - Manitoba

**Type and Date:**

Preliminary Short Form Prospectus dated January 26, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

\$5,000,000.00 (5,000 Investment Units) - Price: \$1,000 per  
Investment Unit

Minimum Subscription: \$1,000 (1 Investment Unit)  
Investment Units comprised of: (i) one 5 Year 9.0% Second  
Mortgage Bond in the principal amount of \$1,000; and (ii)  
1,000 trust unit purchase warrants - Price: \$1,000 per Unit

**Underwriter(s) or Distributor(s):**

Wellington West Capital Inc.  
HSBC Securities (Canada) Inc.

**Promoter(s):**

-

Project #1527206

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**Issuer Name:**

MINT Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated January 18, 2010  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

OFFERING OF \* WARRANTS TO PURCHASE A  
MAXIMUM OF \* TRUST UNITS Warrant Exercise Price: \$\*  
per Trust Unit

**Underwriter(s) or Distributor(s):**

Middlefield Capital Corporation

**Promoter(s):**

-

Project #1526229

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**Issuer Name:**

MINT Income Fund  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated January 18, 2010  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

EXCHANGE OFFER AND CASH OPTION  
\$200,000,000.00 Maximum- \* Units - Price: \$ \* per Unit

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
Middlefield Capital Corporation

**Promoter(s):**

-

Project #1526231

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**Issuer Name:**

North American Palladium Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

US\$300,000,000.00

Common Shares

Special Shares

Debt Securities

Warrants

Share Purchase Contracts

Share Purchase or Equity Units

Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1526992**

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**Issuer Name:**

Pure Technologies Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated January 19, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

Up To \$ \* \_ \* Common Shares - \$ \* per Common Share -

Price: \$ \* per Offered Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.

Boenning & Scattergood Inc.

**Promoter(s):**

-

**Project #1525697**

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**Issuer Name:**

RedWater Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

\$ \* - \* Units - Price: \$ \* per Unit - 2,185,143 Common  
Shares (Issuable upon the exercise of Special Warrants)

**Underwriter(s) or Distributor(s):**

Union Securities Ltd.

**Promoter(s):**

Gary Waters

**Project #1526969**

---

**Issuer Name:**

Rio Novo Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

\$ \* - \* Ordinary Shares - Price: \$ \* per Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

GMP Securities L.P.

**Promoter(s):**

CoralBrook Ltd.

**Project #1526750**

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**Issuer Name:**

Rockland Minerals Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated January 19, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$1,000,500.00 - 6,670,000 Units - Price: \$0.15 per Unit

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.

**Promoter(s):**

Bryan Loree

Ravinder S. Mlait

George Sanders

Craig Robson

Robert Fraser

**Project #1525440**

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**Issuer Name:**

Sprott Multi-Manager Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated January 21, 2010  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

Series A, F, I and D Units

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

Sprott Asset Management GP Inc.

**Project #1526042**

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**Issuer Name:**

Sprott Physical Gold Trust  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Long Form PREP  
Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

US\$ \* (\* Units) - Minimum Subscription: US\$1,000 (100  
Units) - PRICE US\$10.00 PER UNIT

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
Morgan Stanley Canda Limited

**Promoter(s):**

Sprott Asset Management LP  
Project #1513451

---

**Issuer Name:**

Wild Stream Exploration Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus (NI 44-101) dated  
January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$26,235,000.00 - 5,300,000 Common Shares - Price: \$4.95  
per Common Share

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Paradigm Capital Inc.  
FirstEnergy Capital Corp.  
GMP Securities L.P.

**Promoter(s):**

-

Project #1526422

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**Issuer Name:**

Canadian Imperial Bank of Commerce  
Principal Regulator - Ontario

**Type and Date:**

Final Shelf Prospectus dated January 19, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$6,000,000,000.00  
Debt Securities (unsubordinated indebtedness)  
Debt Securities (subordinated indebtedness)  
Common Shares  
Class A Preferred Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #1524006

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**Issuer Name:**

Cinch Energy Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$35,003,100.00 - 21,214,000 Common Shares - Price:  
\$1.65 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
CIBC World Markets Inc.  
Dundee Securities Corporation  
Wellington West Capital Markets Inc.  
Haywood Securities Inc.  
Peters & Co. Limited  
Raymond James Ltd.

**Promoter(s):**

-

Project #1523514

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**Issuer Name:**

CMP 2010 Resource Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

\$100,000,000.00 (maximum) - 100,000 Limited Partnership  
Units - Price per Unit: \$1,000.00  
Minimum Subscription: \$5,000.00 (Five Units)

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

CMP/CDR GP Inc.  
Goodman & Company, Investment Counsel Ltd.  
Project #1513485

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**Issuer Name:**

Dollarama Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$250,475,000.00 - 11,650,000 Common Shares - Price:  
\$21.50 per Common Share

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
Credit Suisse Securities (Canada) Inc.  
Scotia Capital Inc.  
Barclays Capital Canada Inc.  
National Bank Financial Inc.  
Desjardins Securities Inc.  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #1524393**

---

**Issuer Name:**

Dynamic Venture Opportunities Fund Ltd.

**Type and Date:**

Final Long Form Prospectus dated January 19, 2010  
Received on January 22, 2010

**Offering Price and Description:**

Class A Shares, Series II

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1514378**

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**Issuer Name:**

Emerge Oil & Gas Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Long Form Prospectus dated January 19, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$65,550,000.00 - 32,775,000 Common Shares issuable on  
exercise of Outstanding Special Warrants

**Underwriter(s) or Distributor(s):**

FirstEnergy Capital Corp.

**Promoter(s):**

-

**Project #1518478**

---

**Issuer Name:**

Front Street Flow-Through 2010-I Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

\$150,000,000.00 - (Maximum Offering – 6,000,000 Units) -  
Subscription Price: \$25.00 per Unit  
\$10,000,000 - (Minimum Offering: 400,000 Units) -  
Subscription Price: \$25.00 per Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Front Street Capital 2004

**Project #1517830**

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**Issuer Name:**

GoGold Resources Inc.  
Principal Regulator - Nova Scotia

**Type and Date:**

Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$500,000.00 - (5,000,000 Common Shares) Price: \$0.10  
per Common Share

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.

**Promoter(s):**

Terence F. Coughlan

**Project #1507366**

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**Issuer Name:**

Great Western Minerals Group Ltd.  
Principal Regulator - Saskatchewan

**Type and Date:**

Short Form Prospectus dated January 20, 2010  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

Up to \$7,000,000.00 (25,000,000 Units) Price: \$0.28 per Unit -and- Distribution of 9,861,371 Common Shares and 4,482,443 SW Warrants issuable upon the exercise of outstanding Special Warrants Distribution of 591,592 Common Shares issuable upon the exercise of 591,592 outstanding SW Broker Warrants

**Underwriter(s) or Distributor(s):**

Pope & Company Limited

**Promoter(s):**

-

Project #1516131

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**Issuer Name:**

H&R Finance Trust  
H&R Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Short Form Base Shelf Prospectus dated January 18, 2010  
NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$1,000,000,000.00

Stapled Units  
Debt Securities  
Subscription Receipts  
Warrants  
Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

The REIT

Project #1414724

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**Issuer Name:**

H&R Real Estate Investment Trust  
H&R Finance Trust  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 to Short Form Base Shelf Prospectus dated January 18, 2010

NP 11-202 Receipt dated January 20, 2010

**Offering Price and Description:**

\$1,000,000,000.00

Stapled Units  
Debt Securities  
Subscription Receipts  
Warrants  
Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

The REIT

Project #1414716

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**Issuer Name:**

Imperial Canadian Bond Pool  
Imperial Canadian Dividend Income Pool  
Imperial Canadian Dividend Pool  
Imperial Canadian Equity Pool  
Imperial Canadian Income Trust Pool  
Imperial Emerging Economies Pool  
Imperial Global Equity Income Pool  
Imperial International Bond Pool  
Imperial International Equity Pool  
Imperial Money Market Pool  
Imperial Overseas Equity Pool  
Imperial Registered International Equity Index Pool  
Imperial Registered U.S. Equity Index Pool  
Imperial Short-Term Bond Pool  
Imperial U.S. Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Simplified Prospectuses dated January 22, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

Class A units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Canadian Imperial Bank of Commerce

Project #1513073

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**Issuer Name:**

iShares China Index Fund  
iShares MSCI Brazil Index Fund  
iShares S&P CNX Nifty India Index Fund  
iShares S&P Latin America 40 Index Fund  
iShares U.S. High Yield Bond Index Fund (CAD-Hedged)  
iShares U.S. IG Corporate Bond Index Fund (CAD-Hedged)  
Principal Regulator - Ontario

**Type and Date:**

Long Form Prospectus dated January 21, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

Mutual fund securities at net asset value

**Underwriter(s) or Distributor(s):**

Blackrock Asset Management Canada Limited

**Promoter(s):**

-

**Project #1514053**

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**Issuer Name:**

Jomar Capital Corp.  
Principal Regulator - Alberta

**Type and Date:**

CPC Prospectus dated January 21, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

Minimum Offering: \$400,000.00 (4,000,000 Common Shares); Maximum Offering: \$600,000.00 (6,000,000 Common shares) - Price: \$0.10 per common share

**Underwriter(s) or Distributor(s):**

Research Capital Corporation

**Promoter(s):**

-

**Project #1515861**

---

**Issuer Name:**

Premier Gold Mines Limited  
Principal Regulator - Ontario

**Type and Date:**

Short Form Prospectus dated January 26, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

\$32,000,000.00 - 8,000,000 Common Shares - Price: \$4.00 per Share

**Underwriter(s) or Distributor(s):**

Canaccord Financial Ltd.  
Thomas Weisel Partners Canada Inc.  
RBC Dominion Securities Inc.  
Laurentian Bank Securities Inc.  
Octagon Capital Corporation

**Promoter(s):**

-

**Project #1524866**

**Issuer Name:**

SouthGobi Energy Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Short Form Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

\$45,900,000.00 - 2,700,000 Common Shares - Price: \$17.00 per Common Share

**Underwriter(s) or Distributor(s):**

Citigroup Global Markets Canada Inc.  
Macquarie Capital Markets Canada Ltd.  
Genuity Capital Markets  
Salman Partners Inc.

**Promoter(s):**

-

**Project #1522670**

---

**Issuer Name:**

Sprott Multi-Manager Fund (formerly FNSSC-Multi Manager Fund)  
Principal Regulator - Ontario

**Type and Date:**

Simplified Prospectus dated January 26, 2010  
NP 11-202 Receipt dated January 26, 2010

**Offering Price and Description:**

Mutual fund trust units at net asset value

**Underwriter(s) or Distributor(s):**

**Promoter(s):**

Sprott Asset Management GP Inc.

**Project #1526042**

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**Issuer Name:**

TD Canadian Quantitative Research Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Simplified Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

Mutual fund trust units at net asset value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1516094**

**Issuer Name:**

Titan Aggressive Equity Portfolio  
Titan Balanced Growth Portfolio  
Titan Balanced Income Portfolio  
Titan Balanced Portfolio  
Titan Growth Portfolio  
Titan Money Market Fund (formerly Titan Conservative Portfolio)  
Principal Regulator - Alberta

**Type and Date:**

Amendment #3 dated January 8, 2010 to Final Simplified Prospectus dated June 10, 2009  
NP 11-202 Receipt dated January 21, 2010

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Partners In Planning Financial Services Ltd.

**Promoter(s):**

-

**Project #1417382**

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**Issuer Name:**

Twin Butte Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Short Form Prospectus dated January 25, 2010  
NP 11-202 Receipt dated January 25, 2010

**Offering Price and Description:**

\$20,000,000.00 - 16,000,000 Common Shares - Price:  
\$1.25 per Common Share

**Underwriter(s) or Distributor(s):**

Peters & Co. Limited  
Research Capital Corporation  
National Bank Financial Inc.  
Canaccord Financial Limited  
Cormark Securities Inc.  
Acumen Capital Finance Partners Limited  
GMP Securities L.P.

**Promoter(s):**

-

**Project #1524440**

**Issuer Name:**

WCSB Oil & Gas Royalty Income 2010 Limited Partnership  
Principal Regulator - British Columbia

**Type and Date:**

Long Form Prospectus dated January 22, 2010  
NP 11-202 Receipt dated January 22, 2010

**Offering Price and Description:**

Maximum Offering: \$25,000,000.00 (250,000 Units)  
Minimum Offering: \$2,500,000.00 (25,000 Units) Price:  
\$100 per Unit Minimum Purchase: \$5,000 (50 Units)

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
Canaccord Financial Ltd.  
Raymond James Ltd.  
Wellington West Capital Markets Inc.  
GMP Securities L.P.  
Manulife Securities Incorporated  
Research Capital Corporation  
M Partners Inc.  
Argosy Securities Inc.  
Union Securities Ltd.

**Promoter(s):**

WCSB Holdings Corp.  
CADO Bancorp Ltd.  
BrickBurn Asset Management Inc.

**Project #1519109**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Bridgewater Associates, Inc.  To: Bridgewater Associates, LP	Portfolio Manager and Commodity Trading Manager	December 31, 2009
Name Change	From: Stonegate Private Counsel LP  To: CI Private Counsel LP	Portfolio Manager and Exempt Market Dealer	January 1, 2010
Voluntary Surrender	Mackay Shields LLC	International Adviser (Portfolio Manager)	January 19, 2010
Name Change	From: Dan Hallett and Associates Inc.  To: Highview Asset Management Ltd.	Portfolio Manager	January 19, 2010
Name Change	From: TWP & Company Investment Management Inc.  To: Bellwether Investment Management Inc.	Exempt Market Dealer and Portfolio Manager	January 19, 2010
Change of Category	Financial Decisions Inc.	From: Exempt Market Dealer, Mutual Fund Dealer  To: Mutual Fund Dealer	January 20, 2010

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Change of Category	Vantage Asset Management Inc.	From: Exempt Market Dealer and Portfolio Manager  To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	January 22, 2010
New Registration	Westcourt Capital Corporation	Exempt Market Dealer	January 22, 2010
Voluntary Surrender of Registration	West Oak Capital Partners Inc.	Exempt Market Dealer	January 22, 2010
Voluntary Surrender of Registration	Reed, Connor & Birdwell LLC	International Adviser	January 26, 2010
Voluntary Surrender of Registration	New York Life Investment Management LLC	International Adviser (Portfolio Manager)	January 26, 2010
New Registration	Walton Capital Inc.	Exempt Market Dealer	January 26, 2010

## Chapter 13

# SROs, Marketplaces and Clearing Agencies

### 13.1 SROs

#### 13.1.1 MFDA Issues Notice of Settlement Hearing Regarding Carmine Mazzotta

**NEWS RELEASE**  
For immediate release

#### **MFDA ISSUES NOTICE OF SETTLEMENT HEARING REGARDING CARMINE MAZZOTTA**

**January 20, 2010** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Central Regional Council.

The settlement agreement will be between staff of the MFDA and Carmine Mazzotta (the “Respondent”) and involves matters for which the Respondent may be disciplined by a Hearing Panel pursuant to MFDA By-laws. The proposed settlement agreement concerns allegations that, contrary to MFDA Rules, the Respondent:

- a) contravened the directions of the Member with respect to the referral or sale of an investment product;
- b) engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member; and
- c) carried on a dual occupation that was not disclosed to and approved by the Member.

The settlement hearing is scheduled to commence at 10:00 a.m. (Eastern) on January 22, 2010 in the Hearing Room at the MFDA offices located at 121 King Street West, Suite 1000, Toronto, Ontario. The settlement hearing will be open to the public, except as may be required for the protection of confidential matters. A copy of the [Notice of Settlement Hearing](#) is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

#### 13.1.2 MFDA Reschedules Hearing on the Merits in the Matter of Brian Nerdahl

**NEWS RELEASE**  
For immediate release

#### **MFDA RESCHEDULES HEARING ON THE MERITS IN THE MATTER OF BRIAN NERDAHL**

**January 21, 2010** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding against Brian Edward Mark Nerdahl by Notice of Hearing dated March 25, 2008.

An appearance took place in this proceeding today by teleconference before a three-member Hearing Panel of the MFDA’s Central Regional Council.

The hearing of this matter on its merits has been rescheduled to take place before the Hearing Panel on June 14-15, 2010 commencing at 10:00 a.m. (Eastern), or as soon thereafter as the hearing can be held, in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario. The hearing 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](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

Marco Wynnyckyj  
Hearings Coordinator  
416-945-5146 or [mwynnyckyj@mfda.ca](mailto:mwynnyckyj@mfda.ca)

13.1.3 MFDA Hearing Panel Issues Reasons for Decision with Respect to Mark Kricievski Settlement Hearing

**NEWS RELEASE**  
For immediate release

**MFDA HEARING PANEL ISSUES REASONS FOR DECISION WITH RESPECT TO MARK KRICIEVSKI SETTLEMENT HEARING**

**January 21, 2010** (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Reasons for Decision in connection with the Settlement Hearing held in Toronto, Ontario on December 15, 2009 in the matter of Mark Kricievski.

A copy of the [Reasons for Decision](#) is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

13.1.4 MFDA Issues Notice of Hearing Regarding Douglas Bryan Ruemper

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF HEARING REGARDING DOUGLAS BRYAN RUEMPER**

**January 21, 2010** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against Douglas Bryan Ruemper (the “Respondent”).

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

**Allegation 1:** Between April 27, 2005 and October 1, 2007, the Respondent engaged in personal financial dealings with client WA by paying him \$29,000 purportedly on account of investments made by client WA, thereby creating a conflict or potential conflict of interest between the Respondent and client WA which the Respondent failed to address by the exercise of responsible business judgment influenced only by the best interests of client WA, contrary to MFDA Rules 2.1.4 and 2.1.1.

**Allegation 2:** Between April 27, 2005 and November 16, 2007, the Respondent failed to report to the Member complaints from client WA with respect to client WA’s investment in an outside business activity and offered to pay client WA \$10,000 to settle a client complaint without the prior written consent of the Member, contrary to MFDA Rule 1.2.5(b), MFDA Policy No. 3, MFDA Policy No. 6 and MFDA Rule 2.1.1.

**Allegation 3:** Between April 2, 2004 and December 4, 2007, the Respondent had and continued in 12 gainful occupations that were not disclosed to and approved by the Member, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

**Allegation 4:** From December 1, 2004 to June 6, 2006, the Respondent engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member by selling or facilitating the sale of \$105,000 of shares of two companies in which the Respondent had an interest to five clients, contrary to MFDA Rules 1.1.1 and 2.1.1.

**Allegation 5:** By engaging in the conduct described in Allegation #4, the Respondent failed to ensure that a conflict or potential conflict of interest between his interests and those of the five clients were addressed by the exercise of responsible business judgment influenced only by the best interests of the clients, contrary to MFDA Rules 2.1.4 and 2.1.1.

**Allegation 6:** Between April 2, 2004 and December 4, 2007, the Respondent failed to comply with the Member's policies and procedures by:

- a. providing a false response to the Member's Compliance Checklist on March 29, 2004 to enable him to commence acting as an Approved Person effective April 2, 2004; and
- b. thereafter engaging in the conduct described in Allegations #3, #4 and #5 in contravention of the Member's policies and procedures;

contrary to MFDA Rules 1.1.2 and 2.5.1 and MFDA Rule 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA's Pacific Regional Council on February 25, 2010 at 10:00 a.m. (Pacific), or as soon thereafter as the appearance can be held, in the hearing room at the MFDA offices located at 650 West Georgia Street, Suite 1220, Vancouver, British Columbia.

The purpose of the first appearance is to schedule the date for the commencement of the hearing of this matter on its merits and to address any other procedural matters and 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](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

**13.1.5 MFDA Hearing Panel Issues Reasons for Decision with Respect to IOCT Financial Inc. and Michelle Anne Bolhuis Settlement Hearing**

**NEWS RELEASE**  
For immediate release

**MFDA HEARING PANEL ISSUES REASONS FOR DECISION WITH RESPECT TO IOCT FINANCIAL INC. AND MICHELLE ANNE BOLHUIS SETTLEMENT HEARING**

**January 21, 2010** (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Reasons for Decision in connection with the Settlement Hearing held in Toronto, Ontario on December 9, 2009 in the matter of IOCT Financial Planning Inc. and Michelle Anne Bolhuis.

A copy of the Reasons for Decision is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca)

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

**13.1.6 MFDA Hearing Panel Approves Settlement Agreement with Carmine Mazzotta**

**NEWS RELEASE**  
**For immediate release**

**MFDA HEARING PANEL APPROVES  
SETTLEMENT AGREEMENT WITH  
CARMINE MAZZOTTA**

**January 22, 2010** (Toronto, Ontario) – A Settlement Hearing in the matter of Carmine Paul Mazzotta (the “Respondent”) was held today in Toronto, Ontario before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”).

The Hearing Panel accepted the Settlement Agreement between the Respondent and MFDA Staff, as a consequence of which:

- (a) the Respondent agreed to rebate to each individual who purchased Portus Alternative Asset Management Inc. (“Portus”) investment products through the Respondent or his companies, Innovative Financial Group Inc. and Corporate Optimization Strategies Inc., the total amount of compensation that the Respondent or his companies retained from Portus in respect of such purchases;
- (b) the authority of the Respondent to conduct securities related business while in the employ of, or associated with, a Member of the MFDA shall be suspended for a period of 3 months commencing on June 1, 2010, provided that the Respondent complies with the requirements of (a) above;
- (c) if the Respondent fails to comply with the provisions of (a) above, the authority of the Respondent to conduct securities related business while in the employ of, or associated with, a Member of the MFDA shall be suspended until such time as the Respondent can demonstrate to the satisfaction of MFDA Staff that he has complied with the provisions of (a) above;
- (d) the Respondent shall pay costs to the MFDA in the amount of \$2,500; and
- (e) the Respondent agrees that in the future he will comply with MFDA Rules 1.1.1(a) and 1.2.1(d) and he will comply with policies, procedures and written directions of the Member.

In the Settlement Agreement, the Respondent admitted that between January 2004 and January 2005, he engaged

in securities related business that was not carried on for the account of the Member and through the facilities of the Member by selling, referring or facilitating the sale of approximately \$3.46 million of Portus investment products to approximately 31 clients, contrary to MFDA Rules 1.1.1(a) and 2.1.1.

The Respondent also admitted that between June 3, 2004 and January 2005, he contravened the Member’s written direction, dated June 3, 2004, that he refrain from selling, referring or facilitating the sale of Portus investment products to clients, contrary to MFDA Rules 1.1.2 ad 2.5.1 and MFDA Rule 2.1.1.

He further admitted that between January 30, 2004 and January 2005, he carried on a dual occupation that was not disclosed to and approved by the Member by incorporating and operating a company for processing sales and referrals of Portus investment products, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

A copy of the Settlement Agreement, containing more particulars with respect to the terms of settlement than reproduced herein, is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 144 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

**13.1.7 MFDA Sets Date for Calogero Arcuri Hearing in Toronto, Ontario**

**NEWS RELEASE**  
For immediate release

**MFDA SETS DATE FOR CALOGERO ARCURI HEARING IN TORONTO, ONTARIO**

**January 25, 2010** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced disciplinary proceedings in respect of Calogero (Charlie) Arcuri by Notices of Hearing dated February 5, 2008 and October 23, 2009.

As specified in the Notice of Hearing issued on October 23, 2009, an appearance in this matter took place today before a Hearing Panel of the MFDA’s Central Regional Council.

The hearing of this matter on its merits has been scheduled to take place on June 25, 2010, commencing at 10:00 a.m. (Eastern), or as soon thereafter as the hearing can be held, in the Hearing Room at the offices of the MFDA located at 121 King Street West, Suite 1000, Toronto, Ontario. The hearing will be open to the public, except as may be required for the protection of confidential matters.

Copies of the February 5, 2008 Notice of Hearing and the October 23, 2009 Notice of Hearing are available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Marco Wynnickyj  
Hearings Coordinator  
416-945-5146 [mwynnickyj@mfda.ca](mailto:mwynnickyj@mfda.ca)

**13.1.8 MFDA Issues Notice of Settlement Hearing Regarding Alan Roy Kruss**

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF SETTLEMENT HEARING REGARDING ALAN ROY KRUSS**

**January 25, 2010** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Central Regional Council.

The settlement agreement will be between staff of the MFDA and Alan Roy Kruss (the “Respondent”) and involves matters for which the Respondent may be disciplined by a Hearing Panel pursuant to MFDA By-laws. The proposed settlement agreement concerns allegations that between 2004 and 2006, the Respondent, while an Approved Person at two consecutive Members, engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member, contrary to MFDA Rule 1.1.1.

The settlement hearing is scheduled to commence at 10:00 a.m. (Eastern) on March 24, 2010 in the Hearing Room at the MFDA offices, 121 King Street West, Suite 1000, Toronto, Ontario. The hearing will be open to the public, except as may be required for the protection of confidential matters. A copy of the Notice of Settlement Hearing is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*  
Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)



**13.1.9 MFDA Hearing Panel Issues Reasons for  
Decision with Respect to Cory Griffiths  
Settlement Agreement**

**NEWS RELEASE**  
For immediate release

**MFDA HEARING PANEL ISSUES REASONS  
FOR DECISION WITH RESPECT TO  
CORY GRIFFITHS SETTLEMENT AGREEMENT**

**January 25, 2010** (Toronto, Ontario) – A Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”) has issued its Reasons for Decision in connection with the Settlement Hearing held in Calgary, Alberta on October 26, 2009 in the matter of Cory Edwin Griffiths.

A copy of the Reasons for Decision is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

*For further information, please contact:*

Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

### 13.3 Clearing Agencies

#### 13.3.1 Technical Amendments to CDS Procedures – FINet Housekeeping Changes – Notice of Effective Date

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

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**Trade and Settlement Procedures, Chapter 5 – FINet®:**

- Section 5.5.1 - Service option descriptions and considerations
- Section 5.5.3 – Netting by account number
- Section 5.5.4 – Netting by internal account number
- Section 5.5.5 – Adding and modifying service options
- Section 5.5.6 – Deleting service options
- Section 5.8.1 – Failing to receive FINet buy-ins
- Section 5.9 – Monitoring FINet trades

**Participating in CDS Services, Chapter 7 – Registering and Withdrawing from CDS Services – Section 7.11.1 – FINet service eligibility**

**CDS Forms:**

- Start-up Package Checklist – CDSX229
- FINet® Service – CDSX766
- CDS – Online Services – Support Service Eligibility Details – Unit Functions CDSX799

**NOTICE OF EFFECTIVE DATE**

#### **A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENTS**

*Background*

External procedures for FINet® were originally provided for regulatory review on December 19, 2008 and FINet® was implemented on April 27, 2009.

As a post-implementation housekeeping exercise, the FINet® procedures were reviewed for accuracy and completeness and a number of amendments were identified through this review.

*Description of Proposed Amendments*

The following amendments are proposed to CDS's external procedures:

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.5.1 – Service option descriptions and considerations table:

- Remove the statement 'A roll-up indicator must be set to Y when the netting of original trades is governed by the account number contained within those trades' from the Roll-up service option row as the roll-up indicator may be set to Y or N
- Add the statement 'On value date, netted trades are placed on hold if the SCI indicator is set to N' to the SCI Intraday netting service option row to clarify when netted trades will be placed on hold
- Add the statement 'On value date, netted trades are placed on hold if the SCI indicator is set to N' to the SCI Post BNS netting service option row to clarify when netted trades will be placed on hold
- Add the statement 'with the roll-up indicator set to Y' to the Settlement Internal Account service option row to clarify that this condition must be met
- Remove the statement 'Participants who have multiple service option rows (i.e., netting at the internal account level) with zero net indicators set to Y and N, may have all their roll-up indicators set to Y. If any of the zero net indicators are

set to N, all the non zero net service option row's roll-up indicators must be equal to Y' from the Zero Net service option row as all the non zero net service option row's roll-up indicators may be set to Y or N

- Add the statement 'Ensure that modifications or deletions to service options are correct before they are saved. These changes cannot always be undone immediately' to emphasize the importance of ensuring that changes are correct before they are saved

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.5.3 – Netting by account number:

- Add 'option row' to the end of the first sentence within the Effective Date row of the table for clarification purposes

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.5.4 – Netting by internal account number:

- Add 'option row' to the end of the first sentence within the Effective Date row of the table for clarification purposes

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.5.5 – Adding and modifying service options:

- Add the statement 'On value date, netted trades are placed on hold after the FINet intraday netting process is complete if the SCI indicator is set to N' to the SCI Intraday netting service option row to clarify when netted trades will be placed on hold
- Add the statement 'On value date, netted trades are placed on hold after the BNS/CNS process if the SCI indicator is set to N' to the SCI Post BNS netting service option row to clarify when netted trades will be placed on hold
- Add the statement 'Ensure that modifications or deletions to service options are correct before they are saved. These changes cannot always be undone immediately' to emphasize the importance of ensuring that changes are correct before they are saved

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.5.6 – Deleting service options:

- Add the statement 'Ensure that modifications or deletions to service options are correct before they are saved. These changes cannot always be undone immediately' to emphasize the importance of ensuring that changes are correct before they are saved

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.8.1 – Failing to receive FINet buy-ins:

- Add the word 'business' to statement 1b to specify business rather than calendar days

Trade and Settlement Procedures, Chapter 5 – FINet® - Section 5.9 – Monitoring FINet trades:

- Add 'and files' to step #6
- Combine the 'FINet Trade Detail report (intraday)' bullet with the 'FINet Trade Detail report (end-of-day)' bullet
- Add the statement '(contains the same information as the FINet Trade Detail reports)' for clarification purposes

Participating in CDS Services, Chapter 7 – Registering and Withdrawing from CDS Services – Section 7.11.1 – FINet service eligibility:

- The FINet Service form (CDSX766) is being replaced by the CDS Online Services form (CDSX799) as the FINet Service form is not required as the CDS – Online Services – Support Service Eligibility Details – Unit Functions form provides the necessary information

The FINet trademark has been registered so, ™ is being replaced by ® on the CDS – Online Services – Support Service Eligibility Details – Unit Functions form (CDSX799) and the CDS Start-up Package Checklist form (CDSX229).

The FINet Service form (CDSX766) is not required as the CDS – Online Services – Support Service Eligibility Details – Unit Functions form (CDSX799) provides the necessary information.

The CDS Procedures marked for the amendments may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>.

CDS Procedure Amendments are reviewed and approved by CDS's Strategic Development Review Committee ("SDRC"). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS Participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on December 17, 2009.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

The amendments proposed pursuant to this Notice are considered technical amendments as they either pertain to matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services or relate to the correction of spelling, punctuation, typographical or grammatical mistakes or inaccurate cross-referencing.

**C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENT**

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the Recognition and Designation Order, as amended on November 1, 2006, and Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on November 1, 2006, CDS has determined that the proposed amendments will become effective on a date subsequently determined by CDS, and as stipulated in the related CDS Bulletin.

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Robert Argue  
Senior Product Manager – CDS Product Development  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Telephone: (416) 365-3887  
Fax: (416) 365-0842  
Email: rargue@cds.ca

13.3.2 Material Amendments to CDS Rules – Issuance of Money Market Securities – Notice and Request for Comment

CDS CLEARING AND DEPOSITORY SERVICES INC.  
("CDS")

MATERIAL AMENDMENTS TO CDS RULES  
ISSUANCE OF MONEY MARKET SECURITIES  
NOTICE AND REQUEST FOR COMMENTS

**A. DESCRIPTION OF THE PROPOSED CDS RULE AMENDMENTS**

During 2009, CDS reviewed the processes for issuing, transferring and maintaining custody of money market securities in CDSX, and the roles and responsibilities of the participants acting as issuer agents. CDS has determined that the processes require updating, that additional controls and standards should be imposed on its internal processes and on participant issuer agents, and that new measures are required to ensure compliance with these controls and standards. System changes, and Rule and procedure amendments, are required to support these enhancements. The primary focus of the Rule amendments is the definition of participant roles and responsibilities with respect to eligible securities, and the imposition of standards for adequate internal controls and segregation of duties in the back-office operations of participants who undertake these roles.

**B. NATURE AND PURPOSE OF THE PROPOSED CDS RULE AMENDMENTS**

The amendments proposed pursuant to this Notice are considered material amendments as they describe the process by which a security becomes eligible for CDSX, authorize the release of material risk information and implement the new process for issuing, transferring and maintaining custody of money market securities through CDSX. The Rule amendments relating to particular topics are described in detail below.

**(a) eligibility**

A number of Rule amendments are proposed to clarify the process by which securities become eligible for CDSX, and the responsibility for ensuring such eligibility. The primary requirement for eligibility of a security is that there is competent legislation validating transactions effected through CDSX in that security. Such legislation includes the federal *Depository Bills and Notes Act* and the *Securities Transfer Acts* of Ontario and Quebec. CDS determines the eligibility of securities and may also make a particular security ineligible, for CDSX generally or for a particular service or function, even if it is of a type that is otherwise eligible. The Rules on eligibility of securities have been amended to reflect current practices, and to ensure that the Rules are consistent. (Rules 1.6.2 and 6.2.1)

The issuer agent for each newly deposited security makes representations and warranties as to the validity of the security (Rule 6.2.9). A new representation has been added, that there is competent legislation applicable to the new security. In addition, there is a representation ensuring the value of securities deposited, by providing that that the terms of the security do not discharge the issuer's obligation to pay the holder (CDS) if the issuer has put its paying agent in funds to make the payment, but the paying agent defaults before paying the holder. This representation was previously made by the issuer agent when confirming the ISIN of a new security; it is felt that it relates more directly to the representations on the validity of the security. (former Rule 2.5.3(c))

**(b) release of material risk information**

CDS is in the process of establishing criteria for the disclosure of otherwise confidential information to enable other participants, and CDS's regulators, to evaluate and respond to situations of potential risk. CDS has a general duty to preserve the confidentiality of any information concerning a participant (Rule 3.6.1), subject to specific exceptions (Rule 3.6.2). A new exception will be added, directed specifically to the release of information about material risk events. Such events include a material breach of the Rules or Procedures, a Loss of Securities or a Participant Loss that may give rise to material risk to the CDS system. CDS will inform its own regulators of such an event, and, if deemed appropriate, the regulators of the participant involved in the event, and in doing so will identify the participant. If necessary, CDS may also inform other participants who are affected by the event. To minimize the possibility of injury to the participant's business reputation, CDS will give the participant advance notice of the proposed disclosure. CDS will not identify the participant to other participants unless that information is necessary to enable the other participants to take appropriate steps to respond to the potential risk. The Rule has also been reworded to make it clear that a participant can consent to the release of information by CDS, and to clarify the conditions which apply to the release of information under a particular exception.

**(c) qualifications of participant issuer agents**

It has been determined that for CDSX eligible money market securities, a single participant (the issuer agent) must fulfill all of the required roles of ISIN activator, security validator and custodian, to ensure that the issuance process is under the control of a single entity and that the new standards can be imposed and monitored. This reflects current practice in the money market and therefore does not impose any new restrictions on participants or issuers. An issuer may, if it wishes, appoint a different participant as its paying agent, who will be the entitlements processor within the CDSX system. For non-money market securities, a participant may fulfill any one or more of these roles. A limited purpose Transfer Agent Participant uses similar functionality to confirm deposits and withdrawals of non-money market securities. Through its eligibility department, CDS may use the same functionality to activate an ISIN and arrange for the deposit of a new security into CDSX. A new defined term "money market security" has been added, so that the Rules can distinguish the particular standards applicable to issuer agents for such securities. (Rule 1.2.1)

To ensure efficiency and reliability in the system, it has been determined that there should be a single uniform qualification for all participants acting as issuer agents. The qualifications for a participant acting as an issuer agent in CDSX have been changed to eliminate the "restricted" category (who could act only for related issuers). Now every participant using this functionality must meet the same standard; every participant who meets this standard may act as the agent for any issuer. Where the participant is not a domestic financial institution, it must meet a substantially higher capital threshold; where the participant is a Canadian regulated entity, but it does not itself meet the capital threshold (of at least \$200 million), its obligations to CDS must be guaranteed by a parent who itself meets the qualifications; all such participants are subject to the same capital requirement, regardless of whether their parent is Canadian or foreign.

As is the case under the current Rules, the participant issuer agent must itself be the issuer of that security, or the authorized agent of the issuer. This relationship enables the participant to give the important representations and warranties to CDS and its participants as to the validity, due issuance, etc. of the security.

In order to ensure that a participant meets the qualifications, each participant wishing to act as an issuer agent will be required to submit an application to CDS, including documents demonstrating that it meets these qualifications.

New Rule 2.5.1 gives effect to these changes in qualifications, and clarifies the role of an issuer agent participant by bringing together in this single Rule a number of provisions that were previously scattered in diverse other Rules. These include provisions regarding default, representation as to authority, liability as principal and survival of obligations. Accordingly, a number of current Rules that are replaced by new Rule 2.5.1 have been deleted or substantially revised. (Rules 1.6.11, 2.5.1, 2.5.3, 2.5.4, 2.5.5, 2.5.6, 2.6.1 and the related definition of "custodian" in Rule 1.2.1, 2.6.3, 2.6.4) The responsibilities of participants acting as issuer agents have been enhanced; the amendments clarify the existing obligations and the representations given when undertaking certain functions.

The Rules setting out the obligations of the security validator and of the custodian to reconcile their records with CDS's records have been amended to reflect the new process. (Rules 6.2.11, 6.4.4(h)) The custodian is now also explicitly liable for a loss of security certificates that it holds on behalf of CDS. (Rule 6.4.4(f))

**(d) standards for participant issuer agents**

CDS has drafted new internal control standards for participant back office operations for the issuance of money market securities and the safekeeping of certificates. The standards have been reviewed with each of the issuer agents. The standards address a variety of topics, including the format of money market securities, the training and qualification of personnel, segregation of duties, control activities, standardization of documentation, and reconciliation of securities issued to CDS with the issuer's register. The amended Rules clarify CDS's authority to impose such standards and to ensure that each participant is meeting those standards. (Rule 2.2.8) Each issuer agent will be required to demonstrate that it continues to meet the standards. (Rules 2.2.11, 2.2.12) As determined by CDS, the participant will provide a declaration by an officer, a report by the internal or external auditors of the participant, and/or a review of the participant's operations by CDS or CDS's internal or external auditors. CDS may also request information from any regulator of the participant.

**C. IMPACT OF THE PROPOSED CDS RULE AMENDMENTS**

The Rule amendments relating to the role of participants as issuer agents for money market securities affect only the small group of 15 participants who act as issuer agents, all of whom have been consulted during the development of the new process and standards for the issuance of money market securities through CDSX. The Rule amendments relating to the eligibility of securities reflect current practices and will have no impact. The Rule amendments relating to the release of material risk information will affect all participants, by enabling them to assess and respond to material risk in CDSX. The Rule amendments as a whole should have no impact on other money market players or on the securities and financial markets in general.

### **C.1 Competition**

The Rule amendments and system changes are expected to have no impact on competition. All participants currently acting as issuer agents for money market securities in CDSX will be able to continue to fulfill this role.

### **C.2 Risks and Compliance Costs**

The new processes, standards and monitoring for the issuance of money market securities enhance CDSX risk control mechanisms. CDS will incur costs in implementing system changes and in ongoing monitoring and review. The system changes also reduce some CDS costs by automating processes that would previously have required manual intervention. Participants acting as issuer agents may incur additional costs to the extent the new standards and reporting requirements require changes to back office staffing, systems and operations. CDS has discussed the new standards with each current issuer agent participant, and has not received any negative response on the cost or effort required.

### **C.3 Comparison to International Standards**

In designing the internal controls on its own operational processes, CDS has adopted the principles set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The guidelines for participants are also based on the COSO standard; CDS recognizes that each of the issuer/agent participants, being a regulated financial institution, also has specific industry standards for its own internal controls.

## **D. DESCRIPTION OF THE RULE DRAFTING PROCESS**

### **D.1 Development Context**

Money market securities are relatively high value/low risk securities which are an important segment of the Canadian financial market and also play a key role in the risk control structures of CDSX. The processes for issuing money market securities through CDSX must meet the highest standards for reliability and risk containment. These securities, in addition to being traded and pledged between participants, are pledged as collateral for collateral pools and are given relatively high aggregate collateral value (ACV) to collateralize participants' settlement activity. In order to safeguard the integrity of the CDSX system, there must be effective controls in place to ensure that the participant issuer agents properly execute their roles. The planned changes will provide added assurance that the money market securities are being deposited and processed properly so that they can continue to be traded and used as collateral.

### **D.2 Rule Drafting Process**

Each amendment to the CDS Participant Rules is reviewed by CDS's Legal Drafting Group ("LDG"). The LDG is a committee that includes members of Participants' legal and business groups. The LDG's mandate is to advise CDS management and its Board of Directors on rule amendments and other legal matters relating to centralized securities depository and clearing services in order to ensure that they meet the needs of CDS, its participants and the securities industry generally. The LDG reviewed the new money market process on December 16, 2009, and reviewed the draft Rule amendments on January 8, 2010. The comments of the LDG are reflected in the proposed text of the Rule amendments.

These amendments were reviewed and approved by the Board of Directors<sup>1</sup> of The Canadian Depository for Securities Limited on January 20, 2010.

### **D.3 Issues Considered**

CDS's primary concern has been to enhance the reliability of the processes for issuing, transferring and maintaining custody of money market securities in CDSX. In developing its response to perceived deficiencies in the current system, CDS has also been taken into consideration the need for market efficiency, and the importance of not increasing costs and administrative burdens on participants that could lessen the competitiveness of this important segment of the Canadian financial market.

### **D.4 Consultation**

CDS consulted with each of the participants that currently acts as an issuer agent for money market securities, reviewing with them the new process for the issuance of securities through CDSX, the proposed new standards for participant operations, the internal control requirements and the new reporting and monitoring processes. The proposed Rule amendments implement these changes.

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<sup>1</sup> Pursuant to a unanimous shareholder agreement between The Canadian Depository for Securities Limited ("CDS Ltd.") and CDS, effective as of November 01, 2006, CDS Ltd., which acts under the supervision of its Board of Directors, assumed all rights, powers, and duties of the CDS Board of Directors.

## D.5 Alternatives Considered

Before deciding on the revised money market issuance process reflected in the proposed Rule amendments, CDS considered the alternative of removing the functionality from participant issuer agents and instead processing all new money market issues in-house. This alternative was determined to be impractical, very costly, and disruptive to the Canadian financial market. Taking direct custody of money market security certificates would be contrary to CDS's long term objective for de-materialization and reduction in its vault requirements. The volume of processing for new issues would be far greater than in current CDS operations. During June 2009, for instance, a total of 1,472 money market securities were issued into CDSX, a daily average of daily average of 68 securities; in comparison, the eligibility department (which processes new eligible securities that do not use the money market functionality) sets up an average of 10 new securities each day. Most importantly, it was recognized that processing the issuance of money market securities requires direct communication with the issuer, to meet the tight time frames for this segment of the financial market. In most instances, a money market issuer will authorize a certain amount of borrowing over a defined period of time, to be evidenced by money market debt securities of a certain type. The timing of each issue is tied to the issuer's cash flow needs and favourable market conditions; the issuer gives instructions to its agent and the pre-authorized securities are issued and marketed within very short time frames. It was decided that the necessary combination of functionality and timeliness to meet the demands of issuers raising funds in the money market could be achieved only if the processes were initiated by participants acting as the agents of the issuers, and did not require manual intervention by CDS. CDS investigated a number of possible solutions for processing, and determined that the process should be as automated as possible, avoiding manual intervention, to enhance efficiency and certainty in the imposition of controls and standards.

## D.6 Implementation Plan

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to section 21.2 of the Ontario *Securities Act*. The Autorité des marchés financiers has authorized CDS to carry on clearing activities in Québec pursuant to sections 169 and 170 of the Québec *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX<sup>®</sup>, a clearing and settlement system designated by the Bank of Canada pursuant to section 4 of the *Payment Clearing and Settlement Act*. The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

The amendments to Participant Rules will become effective upon approval/non-disapproval of the amendments by the Recognizing Regulators, following public notice and comment. The target date for implementation is April 5, 2009.

## E. TECHNOLOGICAL SYSTEMS CHANGES

### E.1 CDS

CDS has added several new features to its internal processes for the issuance of money market securities. Internal processes, procedures and existing controls have been updated. Changes include a new application process for participant issuer agents, system confirmation of participant qualification to use functionality, system checks on segregation of duties between different users in participant back office operations, system generated reports on exception processing, system checks of various data input by participants, system generated alerts identifying data outside of standard parameters (such as maturity date and quantity of security), new data collection and analysis for the CDSX Risk Management System, and reconciliation between the custodial and issuer register positions.

It is now anticipated that CDS will be ready to implement the system changes for the revised process for the issuance of money market securities during the weekend of April 3 and 4, 2010; CDS and its participants will be ready to begin operating under the revised process as of Monday, April 5, 2010.

### E.2 CDS Participants

The new money market issuance process uses established systems and communication links with CDSX; as a result, there will be a limited impact on participant systems, and only for those participants who act as issuer agents. Additional data fields will be added to existing CDS/participant interfaces, and some additional processing steps have been added to confirm data entered. Periodically, each custodian participant will be required to confirm to CDS the certificates held by it in safekeeping for CDS. The requirements for segregation of duties may require some participants to appoint additional employees as users with access to CDSX functionality. There are no external development impacts for other CDS participants.

### E.3 Other Market Participants

There are no external development impacts to other participants in the Canadian financial markets.



## F. COMPARISON TO OTHER CLEARING AGENCIES

The new money market issuance process is specifically designed for the established practices in the Canadian money market and the legislation governing such securities (including the federal *Depository Bills and Notes Act*, and the provincial *Securities Transfer Acts*). Accordingly, there is no direct comparison with clearing agencies in other jurisdictions.

## G. PUBLIC INTEREST ASSESSMENT

CDS has determined that the proposed amendments are not contrary to the public interest. The money market is a very significant sector of the Canadian financial market, which will benefit from enhanced standards in the issuance of money market securities through CDSX, and the increased monitoring of compliance with those standards.

## H. COMMENTS

Comments on the proposed amendments should be in writing and submitted within 30 calendar days following the date of publication of this notice in the Ontario Securities Commission Bulletin to:

Legal Department  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9

Fax: 416-365-1984  
e-mail: [attention@cds.ca](mailto:attention@cds.ca)

Copies should also be provided to the Autorité des marchés financiers and the Ontario Securities Commission by forwarding a copy to each of the following individuals:

M<sup>o</sup> Anne-Marie Beaudoin  
Secrétaire de l'Autorité  
Autorité des marchés financiers  
800, square Victoria, 22<sup>e</sup> étage  
C.P. 246, tour de la Bourse  
Montréal, Québec, H4Z 1G3

Manager, Market Regulation  
Market Regulation Branch  
Ontario Securities Commission  
Suite 1903, Box 55,  
20 Queen Street West  
Toronto, Ontario, M5H 3S8

Télécopieur: (514) 864-6381  
Courrier électronique: [consultation-en-cours@lautorite.qc.ca](mailto:consultation-en-cours@lautorite.qc.ca)

Fax: 416-595-8940  
e-mail: [marketregulation@osc.gov.on.ca](mailto:marketregulation@osc.gov.on.ca)

CDS will make available to the public, upon request, all comments received during the comment period.

## I. PROPOSED CDS RULE AMENDMENTS

Appendix "A" contains text of current CDS Participant Rules marked to reflect proposed amendments as well as text of these rules reflecting the adoption of the proposed amendments.

**APPENDIX "A"**  
**PROPOSED CDS RULE AMENDMENTS**

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p><b>1.2.1 Definitions</b> For the purposes of the Legal Documents, unless otherwise specified:</p> <p>"Custodian" means a Person who has been accepted by CDS to perform the duties of a Custodian for CDS in the Depository Service. A Custodian may be either a "Foreign Custodian", who may act as a Custodian outside of Canada only, or a "Domestic Custodian", who may act as a Custodian <u>inside or outside of Canada, as approved by CDS.</u></p> <p><u>"Money Market Security" means a Security that is a short term debt obligation of an Issuer, including a treasury bill, treasury note, depository bill, depository note or commercial paper.</u></p> <p><b>1.6 OVERVIEW OF CDSX SERVICES</b> <b>1.6.2 Eligibility of Securities and Currencies</b> <del>The Board of Directors shall determine from time to time the classes of Securities that may be made eligible for the Depository Service, the currencies in which Funds Accounts of Ledgers may be denominated and the classes of Securities for which Transactions may be processed in particular Services or Functions. Only Securities that CDS has determined are eligible may be deposited into or held in the Depository Service. CDS may determine from time to time the currencies in which Funds Accounts of Ledgers may be denominated and the classes of Securities for which Transactions may be processed in a particular Service or Function. CDS may determine from time to time that a particular Security shall be ineligible for the Depository Service or for any Service or Function. Securities may be made eligible for the Depository Service only if there is competent legislation providing that transactions in Securities of that class may be effected by entries made on the records of CDS. Notwithstanding the foregoing, the fact that no such legislation is found to be applicable to a Security shall not limit the effect and finality of the transfer of such Security to CDS on deposit into the Depository Service, nor of any Transaction or Settlement effected through the Services in respect of such Security. On November 1, 2011, those Securities in respect of which entitlement payments are not made by Acceptable Payments or Funds Transfer will be made ineligible for the Depository Service.</del></p> <p><b><u>1.6.11 Participant Roles with Respect to Securities</u></b> <u>The roles which a Participant may assume with respect to a Security in the Depository Service are ISIN Activator, Security Validator, Entitlements Processor and Custodian.</u></p> <p><b>2.2 ADMISSION OF PARTICIPANTS</b> <b>2.2.8 Additional Qualifications and Standards</b> <del>The Board of Directors <u>CDS</u> may set additional qualifications and standards for participation in any Service</del></p>	<p><b>1.2.1 Definitions</b> For the purposes of the Legal Documents, unless otherwise specified:</p> <p>"Custodian" means a Person who has been accepted by CDS to perform the duties of a Custodian for CDS in the Depository Service. A Custodian may be either a "Foreign Custodian", who may act as a Custodian outside of Canada only, or a "Domestic Custodian", who may act as a Custodian inside or outside of Canada, as approved by CDS.</p> <p>"Money Market Security" means a Security that is a short term debt obligation of an Issuer, including a treasury bill, treasury note, depository bill, depository note or commercial paper.</p> <p><b>1.6 OVERVIEW OF CDSX SERVICES</b> <b>1.6.2 Eligibility of Securities and Currencies</b> Only Securities that CDS has determined are eligible may be deposited into or held in the Depository Service. CDS may determine from time to time the currencies in which Funds Accounts of Ledgers may be denominated and the classes of Securities for which Transactions may be processed in a particular Service or Function. CDS may determine from time to time that a particular Security shall be ineligible for the Depository Service or for any Service or Function. Securities may be made eligible for the Depository Service only if there is competent legislation providing that transactions in Securities of that class may be effected by entries made on the records of CDS. Notwithstanding the foregoing, the fact that no such legislation is found to be applicable to a Security shall not limit the effect and finality of the transfer of such Security to CDS on deposit into the Depository Service, nor of any Transaction or Settlement effected through the Services in respect of such Security. On November 1, 2011, those Securities in respect of which entitlement payments are not made by Acceptable Payments or Funds Transfer will be made ineligible for the Depository Service.</p> <p><b>1.6.11 Participant Roles with Respect to Securities</b> The roles which a Participant may assume with respect to a Security in the Depository Service are ISIN Activator, Security Validator, Entitlements Processor and Custodian.</p> <p><b>2.2 ADMISSION OF PARTICIPANTS</b> <b>2.2.8 Additional Qualifications and Standards</b> CDS may set additional qualifications and standards for participation in any Service or any Function. Without limiting</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p>or any Function. <u>Without limiting the generality of the foregoing, such qualifications and standards may relate to segregation of duties, qualification of personnel, internal controls and risk assessment, monitoring, communication with CDS, and any of the matters listed in Rule 2.2.7. CDS shall give notice to Participants of such qualifications and standards and of any changes to such qualifications and standards, and shall provide Participants with a reasonable time to comply with such qualifications and standards. A Participant shall demonstrate to the satisfaction of CDS that it meets the qualifications and standards for each Service or Function used by the Participant.</u></p> <p><b>2.2.11 Notice of Change</b>  A Participant shall immediately give notice to CDS (i) if it ceases to be eligible for participation, to satisfy any of the standards or qualifications set by CDS or to meet the requirements of the category into which it has been classified; and (ii) of any material change to information that was submitted by the Participant to CDS as part of its application for participation or in any subsequent schedule or update to its Participant Agreement; <u>and (iii) of any material change to information that was submitted by the Participant to CDS as part of its application to use a Service or Function, including assuming a role with respect to Securities pursuant to Rule 2.5.</u></p> <p><b>2.2.12 Confirmation of Standards</b>  A Participant shall demonstrate to the satisfaction of CDS <u>that it meets the general qualifications and standards for participation, and the qualifications and standards for each Service or Function used by the Participant. From time to time, CDS may require a Participant to provide proof that it continues to meet such standards. CDS shall determine whether such proof from the Participant is evidenced by a declaration by a Signing Officer of the Participant with responsibility for such matters, a report by the internal or external auditors of the Participant, or a review of the Participant's operations by CDS or CDS's internal or external auditors. CDS may request any Regulatory Body of the Participant to provide confirmation of the Participant's good standing with that Regulatory Body, and confirmation of any information relevant to the Participant's meeting the qualifications and standards, and the Participant shall cooperate with CDS in making any such request.</u></p> <p><b>2.5 PARTICIPANT ROLES WITH RESPECT TO SECURITIES</b>  <b>2.5.1 Participant Roles</b>  Certain Securities are eligible for the Depository Service only if a Participant is the ISIN Activator, Security Validator or Entitlements Processor for that Security. A different Participant may fulfill each of the roles for a Security, or the same Participant may fulfill two or more roles. If a Participant fails to discharge its liabilities or obligations to CDS or to other Participants arising from such a role (other than any obligation arising from a debit made to the Funds Account of that Participant when acting as Entitlements Processor), the other Members of the Category Credit Ring</p>	<p>the generality of the foregoing, such qualifications and standards may relate to segregation of duties, qualification of personnel, internal controls and risk assessment, monitoring, communication with CDS, and any of the matters listed in Rule 2.2.7. CDS shall give notice to Participants of such qualifications and standards and of any changes to such qualifications and standards, and shall provide Participants with a reasonable time to comply with such qualifications and standards.</p> <p><b>2.2.11 Notice of Change</b>  A Participant shall immediately give notice to CDS (i) if it ceases to be eligible for participation, to satisfy any of the standards or qualifications set by CDS or to meet the requirements of the category into which it has been classified; (ii) of any material change to information that was submitted by the Participant to CDS as part of its application for participation or in any subsequent schedule or update to its Participant Agreement; and (iii) of any material change to information that was submitted by the Participant to CDS as part of its application to use a Service or Function, including assuming a role with respect to Securities pursuant to Rule 2.5.</p> <p><b>2.2.12 Confirmation of Standards</b>  A Participant shall demonstrate to the satisfaction of CDS that it meets the general qualifications and standards for participation, and the qualifications and standards for each Service or Function used by the Participant. From time to time, CDS may require a Participant to provide proof that it continues to meet such standards. CDS shall determine whether such proof from the Participant is evidenced by a declaration by a Signing Officer of the Participant with responsibility for such matters, a report by the internal or external auditors of the Participant, or a review of the Participant's operations by CDS or CDS's internal or external auditors. CDS may request any Regulatory Body of the Participant to provide confirmation of the Participant's good standing with that Regulatory Body, and confirmation of any information relevant to the Participant's meeting the qualifications and standards, and the Participant shall cooperate with CDS in making any such request.</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p>or any Fund Credit Ring to which the Participant belongs are not liable to make any payment to CDS pursuant to Rule 5.9 in respect of such failure. The failure to discharge such liabilities and obligations may result in suspension pursuant to Rule 9.1.2.</p> <p><b>2.5.1 General Provisions</b></p> <p>(a) Roles  <u>The roles which a Participant may assume with respect to a Security in the Depository Service are ISIN Activator, Security Validator, Entitlements Processor and Custodian. A Money Market Security is eligible for the Depository Service only if a single Participant is the ISIN Activator, Security Validator and Custodian for that Security; the same Participant or another Participant must be the Entitlements Processor for that Money Market Security. For an eligible Security which is not a Money Market Security, a Participant may fulfill one or more of such roles for that Security. In accordance with Rule 3.2.5, with respect to any Security including a Money Market Security, CDS may use the functionality used by an ISIN Activator, Security Validator, Entitlements Processor or Custodian.</u></p> <p>(b) Qualifications  <u>A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the Entitlements Processor for that Security. A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the ISIN Activator, Security Validator, or Custodian for that Security, provided that it meets one of the following qualifications:</u></p> <p>(i) <u>the Participant is a Specified Financial Institution who has Capital of not less than \$200 million, and who issues its own securities that have a Bond Rating Service rating of not less than S&amp;P A-3, DBRS R-2 Low or Moody's P-3; or</u></p> <p>(ii) <u>the Participant is a wholly-owned subsidiary of a Specified Financial Institution that meets the qualifications set out in clause (i), provided that either the Participant has Capital of not less than \$200 million or all of the obligations of the Participant to CDS are unconditionally guaranteed by its parent Specified Financial Institution; or</u></p> <p>(iii) <u>the Participant is a Foreign Institution who has Capital of not less than \$1 billion, and who issues its own securities that have a Bond Rating Service rating of not less than S&amp;P A-3, DBRS R-2 Low or Moody's P-3; or</u></p> <p>(iv) <u>the Participant is a wholly-owned subsidiary of a Foreign Institution that meets the qualifications set out in clause (iii), provided that either the Participant has Capital of not less than \$200 million or all of the obligations of the Participant to CDS are unconditionally guaranteed by its parent Foreign Institution, and its parent Foreign Institution provides CDS with a legal opinion satisfactory to counsel for CDS with respect to the enforceability of</u></p>	<p><b>2.5 PARTICIPANT ROLES WITH RESPECT TO SECURITIES</b></p> <p><b>2.5.1 General Provisions</b></p> <p>(a) Roles  The roles which a Participant may assume with respect to a Security in the Depository Service are ISIN Activator, Security Validator, Entitlements Processor and Custodian. A Money Market Security is eligible for the Depository Service only if a single Participant is the ISIN Activator, Security Validator and Custodian for that Security; the same Participant or another Participant must be the Entitlements Processor for that Money Market Security. For an eligible Security which is not a Money Market Security, a Participant may fulfill one or more of such roles for that Security. In accordance with Rule 3.2.5, with respect to any Security including a Money Market Security, CDS may use the functionality used by an ISIN Activator, Security Validator, Entitlements Processor or Custodian.</p> <p>(b) Qualifications  A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the Entitlements Processor for that Security. A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the ISIN Activator, Security Validator, or Custodian for that Security, provided that it meets one of the following qualifications:</p> <p>(i) Participant is a Specified Financial Institution who has Capital of not less than \$200 million, and who issues its own securities that have a Bond Rating Service rating of not less than S&amp;P A-3, DBRS R-2 Low or Moody's P-3; or</p> <p>(ii) the Participant is a wholly-owned subsidiary of a Specified Financial Institution that meets the qualifications set out in clause (i), provided that either the Participant has Capital of not less than \$200 million or all of the obligations of the Participant to CDS are unconditionally guaranteed by its parent Specified Financial Institution; or</p> <p>(iii) the Participant is a Foreign Institution who has Capital of not less than \$1 billion, and who issues its own securities that have a Bond Rating Service rating of not less than S&amp;P A-3, DBRS R-2 Low or Moody's P-3; or</p> <p>(iv) the Participant is a wholly-owned subsidiary of a Foreign Institution that meets the qualifications set out in clause (iii), provided that either the Participant has Capital of not less than \$200 million or all of the obligations of the Participant to CDS are unconditionally guaranteed by its parent Foreign Institution, and its parent Foreign Institution provides CDS with a legal opinion satisfactory to counsel for CDS with respect to the enforceability of</p>

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<p><u>such guaranty.</u></p> <p><u>(c) Disqualifications</u>  <u>Neither a TA Participant nor an ATON Participant may act as an ISIN Activator, Security Validator or Custodian. An ATON Participant may not act as an Entitlements Processor. A TA Participant who confirms Deposits and Withdrawals of Securities, or acts as an Entitlements Processor, does so pursuant to Rule 11 and not pursuant to this Rule 2.5, and its activities in that role shall be governed exclusively by Rule 11.</u></p> <p><u>(d) Application</u>  <u>A Participant who wishes to act as ISIN Activator, Security Validator or Custodian shall submit an application to CDS pursuant to Rule 2.2.2. A Participant is authorized to use the functionality for such roles when the Board of Directors has accepted its application.</u></p> <p><u>(e) Appointment</u>  <u>Upon the request of a Participant to act as an Entitlements Processor, or upon the acceptance of the application by a qualified Participant to act as an ISIN Activator, Security Validator or Custodian, CDS makes available to the Participant the functionality required for that role. By using the functionality associated with acting as Entitlements Processor, ISIN Activator, Security Validator, or Custodian for a Security, a Participant assumes all of the obligations with respect to such role for that Security set out in the Rules.</u></p> <p><u>(f) Replacement</u>  <u>If a Participant ceases to act as the agent for an Issuer, and therefore no longer acts as the ISIN Activator, Security Validator, or Entitlements Processor for Securities of that Issuer, the Participant shall inform CDS of the change and of the identity of its proposed successor (if known). Once appointed, a Participant shall continue to act as the Custodian for a Security until CDS appoints a successor or any other arrangement satisfactory to CDS is reached.</u></p> <p><u>(g) Representation re Authorization</u>  <u>By acting as the ISIN Activator, Security Validator or Entitlements Processor for a Security for which it is not itself the Issuer, the Participant represents and warrants to CDS and to all other Participants that its actions are within its capacity and within the scope of the authorization received by it from the Issuer of that Security.</u></p> <p><u>(h) Liability as Principal</u>  <u>Each Participant acting as ISIN Activator, Security Validator or Entitlements Processor shall be liable as principal for all of its obligations pursuant to the Rules, including obligations arising from representations and warranties made by it, whether it is acting on its own behalf or on behalf of an Issuer. The foregoing assumption of liability by the Participant shall not limit any liability that may attach to the Issuer under general principles of law.</u></p> <p><u>(i) Default</u>  <u>If a Participant fails to discharge its liabilities or obligations</u></p>	<p>such guaranty.</p> <p>(c) Disqualifications  Neither a TA Participant nor an ATON Participant may act as an ISIN Activator, Security Validator or Custodian. An ATON Participant may not act as an Entitlements Processor. A TA Participant who confirms Deposits and Withdrawals of Securities, or acts as an Entitlements Processor, does so pursuant to Rule 11 and not pursuant to this Rule 2.5, and its activities in that role shall be governed exclusively by Rule 11.</p> <p>(d) Application  A Participant who wishes to act as ISIN Activator, Security Validator or Custodian shall submit an application to CDS pursuant to Rule 2.2.2. A Participant is authorized to use the functionality for such roles when the Board of Directors has accepted its application.</p> <p>(e) Appointment  Upon the request of a Participant to act as an Entitlements Processor, or upon the acceptance of the application by a qualified Participant to act as an ISIN Activator, Security Validator or Custodian, CDS makes available to the Participant the functionality required for that role. By using the functionality associated with acting as Entitlements Processor, ISIN Activator, Security Validator, or Custodian for a Security, a Participant assumes all of the obligations with respect to such role for that Security set out in the Rules.</p> <p>(f) Replacement  If a Participant ceases to act as the agent for an Issuer, and therefore no longer acts as the ISIN Activator, Security Validator, or Entitlements Processor for Securities of that Issuer, the Participant shall inform CDS of the change and of the identity of its proposed successor (if known). Once appointed, a Participant shall continue to act as the Custodian for a Security until CDS appoints a successor or any other arrangement satisfactory to CDS is reached.</p> <p>(g) Representation re Authorization  By acting as the ISIN Activator, Security Validator or Entitlements Processor for a Security for which it is not itself the Issuer, the Participant represents and warrants to CDS and to all other Participants that its actions are within its capacity and within the scope of the authorization received by it from the Issuer of that Security.</p> <p>(h) Liability as Principal  Each Participant acting as ISIN Activator, Security Validator or Entitlements Processor shall be liable as principal for all of its obligations pursuant to the Rules, including obligations arising from representations and warranties made by it, whether it is acting on its own behalf or on behalf of an Issuer. The foregoing assumption of liability by the Participant shall not limit any liability that may attach to the Issuer under general principles of law.</p> <p>(i) Default  If a Participant fails to discharge its liabilities or obligations</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p><del>to CDS or to other Participants arising from its role as the ISIN Activator, Security Validator, Entitlements Processor or Custodian for a Security (other than any obligation arising from a debit made to the Funds Account of that Participant when acting as Entitlements Processor), the other Members of the Category Credit Ring or any Fund Credit Ring to which the Participant belongs are not liable to make any payment to CDS pursuant to Rule 5.9 in respect of such failure. The failure to discharge such liabilities and obligations may result in suspension of the defaulting Participant pursuant to Rule 9.1.2.</del></p> <p><del>(j) <u>Survival of Obligations</u></del>  <del>The liabilities and obligations of a Participant to CDS and to other Participants, arising from its acting as an ISIN Activator, Security Validator, Entitlements Processor or Custodian, shall survive the suspension, termination or withdrawal of the Participant from that role. The liabilities and obligations of the Participant arising from acting in such a role shall not affect the rights and obligations of the Participant generally (such as the rights of the Participant with respect to Securities credited to its Securities Account).</del></p> <p><b>2.5.3 Activities of ISIN Activator</b>  <del>The ISIN Activator confirms the ISIN applicable to each Security for which the ISIN Activator is either the Issuer or its agent.</del></p> <p><del>(a) <u>Qualifications</u></del>  <del>A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the ISIN Activator for such Security. A TA Participant may not act as an ISIN Activator. An ATON Participant may not act as an ISIN Activator. By acting as the ISIN Activator for a Security for which it is not itself the Issuer, the Participant represents and warrants to CDS and to all other Participants that its actions are within its capacity and within the scope of the authorization received by it from the Issuer.</del></p> <p><del>(b) <u>Appointment</u></del>  <del>Upon acceptance of the application by a qualified Participant to act as an ISIN Activator, CDS makes available to the ISIN Activator the functionality to confirm the ISIN applicable to groups of Securities for which the ISIN Activator is either the Issuer or its agent. If a Participant ceases to act as the ISIN Activator for a Security, the Participant shall inform CDS of the change and of the identity of its proposed successor (if known).</del></p> <p><del>(c) <u>Activities</u></del>  <del>The ISIN Activator for a Security shall confirm that a particular ISIN applies to that Security, and that entries describing the Security are accurate. In the circumstances set out in the Procedures, the ISIN Activator for a Security shall provide CDS with confirmation, in the form set out in the Procedures, that the Issuer's obligation to pay entitlements owing in respect of the Security will not be discharged by payment to the Issuer's agent.</del></p> <p><del>(d) <u>Obligations</u></del></p>	<p>to CDS or to other Participants arising from its role as the ISIN Activator, Security Validator, Entitlements Processor or Custodian for a Security (other than any obligation arising from a debit made to the Funds Account of that Participant when acting as Entitlements Processor), the other Members of the Category Credit Ring or any Fund Credit Ring to which the Participant belongs are not liable to make any payment to CDS pursuant to Rule 5.9 in respect of such failure. The failure to discharge such liabilities and obligations may result in suspension of the defaulting Participant pursuant to Rule 9.1.2.</p> <p>(j) <u>Survival of Obligations</u>  The liabilities and obligations of a Participant to CDS and to other Participants, arising from its acting as an ISIN Activator, Security Validator, Entitlements Processor or Custodian, shall survive the suspension, termination or withdrawal of the Participant from that role. The liabilities and obligations of the Participant arising from acting in such a role shall not affect the rights and obligations of the Participant generally (such as the rights of the Participant with respect to Securities credited to its Securities Account).</p> <p><b>2.5.3 Activities of ISIN Activator</b>  The ISIN Activator confirms the ISIN applicable to each Security for which the ISIN Activator is either the Issuer or its agent.</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p><b>2.5.4 Representation and Warranty by ISIN Activator</b>  <del>By confirming the ISIN for a Security, the</del> The ISIN Activator represents and warrants to CDS and to all other Participants (i) that each the ISIN confirmed by it accurately reflects the attributes of the Security which is identified by that ISIN; (ii) <u>that the entries describing the Security are accurate;</u> and; (iii) if the ISIN identifies a pool of Securities, that such Securities have a common primary obligor and are appropriately pooled in accordance with Rule 6.10.2. <del>The ISIN Activator shall be liable as principal for all of its obligations pursuant to this Rule 2.5, including obligations arising from representations and warranties made by it, whether it is acting on its own behalf or on behalf of an Issuer. The foregoing assumption of liability by the ISIN Activator shall not limit any liability that may attach to the Issuer under general principles of law.</del></p> <p><b>2.5.4 2.5.5 Activities of Security Validator</b>  <b>(a) Qualifications</b>  <del>A Participant is qualified to be the Security Validator of a Security if:</del>  <del>the Participant is the Issuer of the Security or is an agent of the Issuer of the Security; and</del>  <del>the Participant meets the qualifications for a Domestic Custodian of the Security.</del>  <del>By acting as the Security Validator for Securities for which it is not itself the Issuer, the Participant represents and warrants to CDS and to all other Participants that its actions are within its capacity and within the scope of the authorization received by it from the Issuer. A TA Participant may not act as a Security Validator; a TA Participant confirms Deposits and Withdrawals of Securities pursuant to Rule 11 and not pursuant to this Rule 2.5. An ATON Participant may not act as a Security Validator.</del>  <b>(b) Appointment</b>  <del>Upon acceptance of the application by a qualified Participant to act as a Security Validator, CDS makes available to the Security Validator the functionality to confirm the deposit and withdrawal of each Security for which it acts as the Security Validator. If a Participant wishes to cease to act as the Security Validator for a Security, the Participant shall inform CDS of the change and of the identity of its proposed successor (if known). Once appointed, a Participant shall continue to act as the Security Validator for a Security until CDS appoints a successor or the Security ceases to be eligible or any other arrangement satisfactory to CDS is reached.</del>  <b>(c) Activities</b>  <del>The Security Validator for a Security shall perform the following activities with respect to that Security, as more particularly described in Rule 6:</del>  <del>(i) confirm the deposit of Securities;</del>  <del>(ii) confirm the withdrawal of Securities; and</del>  <del>(iii) reconcile the Issuer's register with the records of CDS.</del>  <b>(d) Obligations</b>  <del>The Security Validator shall be liable as principal for all of its obligations pursuant to this Rule 2.5, including obligations arising from representations and warranties made by it,</del></p>	<p><b>2.5.4 Representation and Warranty by ISIN Activator</b>  By confirming the ISIN for a Security, the ISIN Activator represents and warrants to CDS and to all other Participants (i) that the ISIN accurately reflects the attributes of the Security which is identified by that ISIN; (ii) that the entries describing the Security are accurate; and (iii) if the ISIN identifies a pool of Securities, that such Securities have a common primary obligor and are appropriately pooled in accordance with Rule 6.10.2.</p> <p><b>2.5.5 Activities of Security Validator</b>  The Security Validator for a Security shall perform the following activities with respect to that Security, as more particularly described in Rule 6:  (i) confirm the deposit of Securities;  (ii) confirm the withdrawal of Securities; and  (iii) reconcile the Issuer's register with the records of CDS.</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p>whether it is acting on its own behalf or on behalf of an Issuer. The foregoing assumption of liability by the Security Validator shall not limit any liability that may attach to the Issuer under general principles of law.</p> <p><b><u>2.5.6 Representation and Warranty by Security Validator</u></b>  <u>By confirming the deposit of a Security, the Security Validator makes the representations and warranties set out in Rule 6.2.9</u></p> <p><del>2.5.5</del> <b><u>2.5.7 Entitlements Processor</u></b>  (a) <del>Qualifications</del>  A Participant who is the Issuer of a Security or is an agent of such an Issuer may act as the Entitlements Processor for that Security. By acting as the Entitlements Processor for a Security for which it is not itself the Issuer, the Participant represents and warrants to CDS and to all other Participants that its actions are within its capacity and within the scope of the authorization received by it from the Issuer. This Rule 2.5.5 shall not apply to a TA Participant who is acting as an Entitlements Processor, and its activities in that role shall be governed exclusively by Rule 11.6. An ATON Participant may not act as an Entitlements Processor.</p> (b) <del>Appointment</del> The ISIN Activator identifies to CDS a qualified Participant who is to act as the Entitlements Processor for a Security. The Participant becomes the Entitlements Processor by confirming to CDS that it is acting in that role with respect to the Security. If a Participant ceases to act as the Entitlements Processor for a Security, the Participant shall inform CDS of the change and of the identity of its proposed successor (if known). (c) <del>Activities</del> (a) <u>Activities</u> As or on behalf of the Issuer, the Entitlements Processor for a Security may pay the amount of an entitlement with respect to that Security either by making an Acceptable Payment to CDS in that amount or by instructing CDS to debit that amount from its Funds Account. An Entitlements Processor is not obligated by virtue of fulfilling that role to pay an entitlement on a Security, and may decide not to do so for any reason (including changes in its status as an agent of the Issuer or difficulties associated with arranging receipt of money from the Issuer). <del>The foregoing limitation of the liability of an Entitlements Processor shall not limit any liability of the Issuer arising from the Security or under general principles of law.</del> (d) <del>Obligations</del> (b) <u>Obligations of Issuer</u> <u>The foregoing limitation of the liability of an Entitlements Processor shall not limit any liability of the Issuer arising from the Security or under general principles of law.</u> The Entitlements Processor is not the agent of CDS to receive money; receipt by the Entitlements Processor of money provided by the Issuer for the payment of an entitlement on a Security held by CDS shall not be deemed to be receipt of such money by CDS and does not discharge the Issuer's obligation with respect to the entitlement due on the Security unless and until CDS has received payment in full of the	<p><b>2.5.6 Representation and Warranty by Security Validator</b>  By confirming the deposit of a Security, the Security Validator makes the representations and warranties set out in Rule 6.2.9</p> <p><b>2.5.7 Entitlements Processor</b>  (a) <u>Activities</u>  As or on behalf of the Issuer, the Entitlements Processor for a Security may pay the amount of an entitlement with respect to that Security either by making an Acceptable Payment to CDS in that amount or by instructing CDS to debit that amount from its Funds Account. An Entitlements Processor is not obligated by virtue of fulfilling that role to pay an entitlement on a Security, and may decide not to do so for any reason (including changes in its status as an agent of the Issuer or difficulties associated with arranging receipt of money from the Issuer).</p> <p>(b) <u>Obligations of Issuer</u>  The foregoing limitation of the liability of an Entitlements Processor shall not limit any liability of the Issuer arising from the Security or under general principles of law. The Entitlements Processor is not the agent of CDS to receive money; receipt by the Entitlements Processor of money provided by the Issuer for the payment of an entitlement on a Security held by CDS shall not be deemed to be receipt of such money by CDS and does not discharge the Issuer's obligation with respect to the entitlement due on the Security unless and until CDS has received payment in full of the</p>



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<p>entitlement, either by means of an Acceptable Payment or by the completion of Payment Exchange following a Funds Account debit in the amount of the entitlement. <del>The Entitlements Processor shall be liable as principal for all of its obligations pursuant to this Rule 2.5, including obligations arising from representations and warranties made by it, whether it is acting on its own behalf or on behalf of an Issuer. The foregoing assumption of liability by the Entitlements Processor shall not limit any liability that may attach to the Issuer under general principles of law.</del></p> <p><del>2.5.6 — Survival of Obligations</del>  <del>The liabilities and obligations of a Participant to CDS and to other Participants, arising from its acting as an ISIN Activator, Security Validator, or Entitlements Processor, shall survive the suspension, termination or withdrawal of the Participant from that role. The liabilities and obligations of the Participant arising from acting in such a role shall not affect the rights and obligations of the Participant generally (such as the rights of the Participant with respect to Securities credited to its Securities Account).</del></p> <p><b>2.6.1 Appointment of a Custodian</b>  ... A Custodian may be either a Foreign Custodian, who may act as a Custodian outside of Canada only, or a Domestic Custodian, who may act as a Custodian <u>inside or outside of Canada</u>, as approved by CDS. ...</p> <p><b>2.6.3 Qualifications of a Domestic Custodian</b>  (a) — <del>Bank of Canada</del>  Bank of Canada may act as a Domestic Custodian in respect of any Securities. <u>A Participant other than Bank of Canada who meets the qualifications set out in Rule 2.5.1(b) may act as a Domestic Custodian in respect of any Securities.</u></p> <p>(b) — <del>Unrestricted Domestic Custodian</del>  <del>A Participant other than Bank of Canada, who is primarily regulated under the laws of Canada or of any province or territory thereof, may act as a Domestic Custodian. A Domestic Custodian may act as Custodian in respect of any Securities if it is either:</del>  <del>a Specified Financial Institution who has Capital of not less than \$200 million, and who issues securities that meet minimum Bond Rating Service ratings established by CDS;</del>  <del>or</del>  <del>a wholly-owned subsidiary of a Specified Financial Institution referred to in clause (i), provided that such subsidiary has Capital of not less than \$200 million or all of the obligations of such subsidiary are unconditionally guaranteed by its parent Specified Financial Institution.</del></p> <p>(c) <del>Restricted Domestic Custodian</del>  <del>A Participant who is primarily regulated under the laws of Canada or of any province or territory thereof, but who does not meet the foregoing qualifications, may act as a Domestic Custodian, but only in respect of the Securities referred to below and only if one of the following conditions is met:</del>  <del>the Participant has Capital of not less than \$200 million;</del>  <del>the Participant is a Specified Financial Institution and has Capital of not less than \$100 million; or</del></p>	<p>entitlement, either by means of an Acceptable Payment or by the completion of Payment Exchange following a Funds Account debit in the amount of the entitlement.</p> <p><b>2.6.1 Appointment of a Custodian</b>  ... A Custodian may be either a Foreign Custodian, who may act as a Custodian outside of Canada only, or a Domestic Custodian, who may act as a Custodian inside or outside of Canada, as approved by CDS. ...</p> <p><b>2.6.3 Qualifications of a Domestic Custodian</b>  Bank of Canada may act as a Domestic Custodian in respect of any Securities. A Participant other than Bank of Canada who meets the qualifications set out in Rule 2.5.1(b) may act as a Domestic Custodian in respect of any Securities.</p>

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<p><del>the Issuer of the Security for which the Participant acts as Domestic Custodian has Capital of not less than \$200 million and has agreed to be bound by all representations and warranties with respect to the Security given by the Participant pursuant to the Rules without requiring CDS to deliver any certificate or other instrument evidencing the Security.</del>  <del>Such a Participant is qualified to be the Domestic Custodian only of a Security issued by:</del>  <del>the Participant;</del>  <del>its subsidiary;</del>  <del>a Person of whom the Participant is a subsidiary;</del>  <del>one of the Federated Participants for whom it acts, if the Participant is the Active Federated Participant; or</del>  <del>a credit union who is a member of the Participant, if the Participant is a credit union central, league of credit unions or other similar association of credit unions.</del>  <del>(d) Capital of Custodian</del>  <del>For purposes of this Rule, the Capital of a Specified Financial Institution who is the Active Federated Participant shall be calculated by aggregating its Capital with the Capital of all of its Federated Participants (excluding in the calculation of the Capital of a Federated Participant its investment in any other Federated Participant that forms part of the Capital of that other Federated Participant, if its Capital and the Capital of that other Federated Participant are aggregated).</del></p> <p><del>2.6.4 — Survival of Obligations</del>  <del>The liabilities and obligations of a Participant to CDS and to other Participants, arising from its acting as a Domestic Custodian, under this Rule 2 or under Rule 6 or under any other Rule, shall survive the suspension, termination or withdrawal of the Participant from that role. The liabilities and obligations of the Participant arising from acting in such a role shall not affect the rights and obligations of the Participant generally (such as the rights of the Participant with respect to Securities credited to its Securities Account).</del></p> <p><b>3.6 CONFIDENTIALITY</b>  <b>3.6.2 Release of Information</b>  Each Participant authorizes CDS to release any information concerning the Participant or provided by a Participant: <u>in the circumstances listed below.</u>  (a) <u>CDS may release such information at the request of or with the prior written consent of the Participant.</u>  (b) <u>CDS may release such information to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties;.</u>  (c) <u>(b) CDS may release such information to the legal counsel of CDS, as may reasonably be required to perform their duties;.</u>  (d) <u>(c) CDS may release such information if requested by the Issuer of Securities held for the Participant or by any other Person and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer</u></p>	<p><b>3.6 CONFIDENTIALITY</b>  <b>3.6.2 Release of Information</b>  Each Participant authorizes CDS to release any information concerning the Participant or provided by a Participant in the circumstances listed below.  (a) CDS may release such information at the request of or with the prior written consent of the Participant.  (b) CDS may release such information to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties.  (c) CDS may release such information to the legal counsel of CDS, as may reasonably be required to perform their duties.  (d) CDS may release such information if requested by the Issuer of Securities held for the Participant or by any other Person and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer</p>

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<p><del>effected by the Participant. Such</del> if such information shall be is limited to information with respect to the Securities held for the Participant and <del>if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer effected by the Participant, provided that any information released under this subsection (c) does</del> shall not identify any client or customer of the Participant;</p> <p>(e) <del>(d)</del> <u>CDS may release such information</u> as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS;</p> <p><del>When CDS is required to disclose such information that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice.</del></p> <p>(f) <del>(e)</del> <u>CDS may release such information</u> pursuant to any statutory or regulatory requirement including National Instrument 54-101 <i>Communication with Beneficial Owners of a Reporting Issuer</i> (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators;</p> <p>(g) <del>(f)</del> <u>CDS may release such information</u> to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation; <u>CDS shall request the recipient to treat such information as confidential.</u></p> <p>(h) <del>(g)</del> <u>CDS may release such information</u> to any self-regulatory organization of which the Participant is a member and to the primary Canadian Regulatory Body for the Participant in regards to compliance with Rule 10.2.3(b); <del>and</del></p> <p>(i) <del>(h)</del> <u>CDS may release such information</u> that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group.</p> <p>(j) <u>CDS may release such information (i) to any Regulatory Body having, in the opinion of CDS, jurisdiction over CDS, (ii) to the primary Regulatory Body for the Participant, or (iii) to other Participants, concerning an event or circumstance involving the Participant that CDS considers raises concerns about potential material risk in the Services, including a material breach of the Rules or Procedures by the Participant, or a Loss of</u></p>	<p>effected by the Participant. Such information shall be limited to information with respect to the Securities held for the Participant and shall not identify any client or customer of the Participant.</p> <p>(e) CDS may release such information as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS. When CDS is required to disclose such information that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice.</p> <p>(f) CDS may release such information pursuant to any statutory or regulatory requirement including National Instrument 54-101 <i>Communication with Beneficial Owners of a Reporting Issuer</i> (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators.</p> <p>(g) CDS may release such information to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation. CDS shall request the recipient to treat such information as confidential.</p> <p>(h) CDS may release such information to any self-regulatory organization of which the Participant is a member and to the primary Canadian Regulatory Body for the Participant in regards to compliance with Rule 10.2.3(b).</p> <p>(i) CDS may release such information that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group.</p> <p>(j) CDS may release such information (i) to any Regulatory Body having, in the opinion of CDS, jurisdiction over CDS, (ii) to the primary Regulatory Body for the Participant, or (iii) to other Participants, concerning an event or circumstance involving the Participant that CDS considers raises concerns about potential material risk in the Services, including a material breach of the Rules or Procedures by the Participant, or a Loss of Securities</p>

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<p><u>Securities or Participant Loss caused or contributed to by the Participant. The following conditions shall apply to such release of confidential information: (i) CDS shall give notice to the Participant of the proposed disclosure before making the disclosure, if such advance notice is, in the determination of CDS, not against the best interests of CDS and Participants generally; (ii) CDS shall determine whether the information will be released to all other Participants or only to a select group of Participants, such as members of a Credit Ring, who are particularly affected by the event or circumstance; and (iii) CDS shall identify the Participant involved in the event or circumstance to its Regulators, but shall identify the Participant involved in the event or circumstance to other Participants only if, in its judgment, such identification is necessary to enable the other Participants to respond to the potential risk.</u></p> <p><u>In releasing any information pursuant to this Rule, CDS shall take reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant, unless (i) such information is requested in writing by the requestor and the requestor has, in the opinion of CDS, the legal right to obtain such information; or (ii) with respect to information released under subsection (j), such information is necessary to enable Participants to respond to the potential risk.</u></p> <p><del>CDS shall take all reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant. When CDS is required pursuant to subsection (d) to disclose confidential information concerning a Participant that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice. When CDS releases confidential information pursuant to subsection (f), CDS shall request the recipient to treat such information as confidential.</del></p> <p><b>6.2 DEPOSIT OF SECURITIES</b>  <b>6.2.1 Eligibility</b>  <del>Only eligible Securities may be deposited into or held in the Depository Service. The Board of Directors shall determine from time to time the classes of Securities that may be made eligible for the Depository Service and the classes of Securities for which Transactions may be processed in particular Services or Functions. <u>Only Securities that CDS has determined are eligible may be deposited into or held in the Depository Service. CDS may determine from time to time the classes of Securities for which Transactions may be processed in a particular Service or Function. CDS may determine from time to time that a particular Security shall be ineligible for the Depository Service or for any Service or Function. Securities may be made eligible for the Depository Service only if there is competent legislation providing that transactions in Securities of that class may be effected by entries made on the records of CDS. The Procedures and User Guides describe the types of Securities that CDS has</u></del></p>	<p>or Participant Loss caused or contributed to by the Participant. The following conditions shall apply to such release of confidential information: (i) CDS shall give notice to the Participant of the proposed disclosure before making the disclosure, if such advance notice is, in the determination of CDS, not against the best interests of CDS and Participants generally; (ii) CDS shall determine whether the information will be released to all other Participants or only to a select group of Participants, such as members of a Credit Ring, who are particularly affected by the event or circumstance; and (iii) CDS shall identify the Participant involved in the event or circumstance to its Regulators, but shall identify the Participant involved in the event or circumstance to other Participants only if, in its judgment, such identification is necessary to enable the other Participants to respond to the potential risk.</p> <p>In releasing any information pursuant to this Rule, CDS shall take reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant, unless (i) such information is requested in writing by the requestor and the requestor has, in the opinion of CDS, the legal right to obtain such information; or (ii) with respect to information released under subsection (j), such information is necessary to enable Participants to respond to the potential risk.</p> <p><b>6.2 DEPOSIT OF SECURITIES</b>  <b>6.2.1 Eligibility</b>  Only Securities that CDS has determined are eligible may be deposited into or held in the Depository Service. CDS may determine from time to time the classes of Securities for which Transactions may be processed in a particular Service or Function. CDS may determine from time to time that a particular Security shall be ineligible for the Depository Service or for any Service or Function. Securities may be made eligible for the Depository Service only if there is competent legislation providing that transactions in Securities of that class may be effected by entries made on the records of CDS. The Procedures and User Guides describe the types of Securities that CDS has determined are eligible for the Depository Service. For each eligible Security, facilities for deposit (and, if applicable, withdrawal) are provided by one of CDS, Bank of Canada, the Transfer Agent for the Issuer, the Issuer acting as its own registrar, a Security Validator or a Custodian. On November 1, 2011,</p>

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<p><u>determined</u> are eligible for the Depository Service. For each eligible Security, facilities for deposit (and, if applicable, withdrawal) are provided by one of CDS, Bank of Canada, the Transfer Agent for the Issuer, the Issuer acting as its own registrar, a Security Validator or a Custodian. On November 1, 2011, those Securities in respect of which entitlement payments are not made by Acceptable Payments or Funds Transfer will be made ineligible for the Depository Service.</p>	<p>those Securities in respect of which entitlement payments are not made by Acceptable Payments or Funds Transfer will be made ineligible for the Depository Service.</p>
<p><b>6.2.9 Representation and Warranty by Security Validator on Deposit</b></p>	<p><b>6.2.9 Representation and Warranty by Security Validator on Deposit</b></p>
<p>By confirming the deposit of a Security, the Security Validator represents and warrants to CDS and to all other Participants:</p>	<p>By confirming the deposit of a Security, the Security Validator represents and warrants to CDS and to all other Participants:</p>
<p>(a) that the entries describing the Security are accurate;</p> <p>(b) that such Security has been duly authorized and issued by the Issuer;</p> <p>(c) if the Security is in registered form, that the Issuer's register with respect to that issue of Securities records CDS or its Nominee as the registered holder of the total quantity of deposited Securities;</p> <p>(d) if the Security is in bearer form, that the Issuer's register corresponds to the total quantity of deposited Securities;</p> <p>(e) that each certificate or other instrument evidencing such Security has been duly executed and issued by the Issuer; and</p> <p>(f) that each certificate or other instrument evidencing such Security is genuine and in proper form;</p> <p>(g) <u>that there is competent legislation providing that transactions in such Security may be effected by entries made on the records of CDS; and</u></p> <p>(h) <u>that the Issuer's obligation to pay entitlements owing in respect of the Security will not be discharged by payment to the Entitlements Processor or to the Issuer's paying agent.</u></p>	<p>(a) that the entries describing the Security are accurate;</p> <p>(b) that such Security has been duly authorized and issued by the Issuer;</p> <p>(c) if the Security is in registered form, that the Issuer's register with respect to that issue of Securities records CDS or its Nominee as the registered holder of the total quantity of deposited Securities;</p> <p>(d) if the Security is in bearer form, that the Issuer's register corresponds to the total quantity of deposited Securities;</p> <p>(e) that each certificate or other instrument evidencing such Security has been duly executed and issued by the Issuer;</p> <p>(f) that each certificate or other instrument evidencing such Security is genuine and in proper form;</p> <p>(g) that there is competent legislation providing that transactions in such Security may be effected by entries made on the records of CDS; and</p> <p>(h) that the Issuer's obligation to pay entitlements owing in respect of the Security will not be discharged by payment to the Entitlements Processor or to the Issuer's paying agent.</p>
<p><b>6.2.11 Reconciliation of Records by Security Validator</b></p>	<p><b>6.2.11 Reconciliation of Records by Security Validator</b></p>
<p>The Security Validator shall provide to CDS data in a format and at such times as CDS requires to reconcile the Issuer's register for Securities with CDS's records. <del>Should</del> <u>If there is</u> any discrepancy occur between the Issuer's register and the records of CDS, the Security Validator shall be responsible for resolving the discrepancy and for providing documentary evidence to substantiate the cause of the discrepancy to the satisfaction of CDS. <u>Upon request by CDS, the Security Validator shall within a reasonable time provide to CDS a declaration signed by a Signing Officer of the quantity of each Security registered in the name of CDS or its Nominee on a specified date.</u></p>	<p>The Security Validator shall provide to CDS data in a format and at such times as CDS requires to reconcile the Issuer's register for Securities with CDS's records. If there is any discrepancy between the Issuer's register and the records of CDS, the Security Validator shall be responsible for resolving the discrepancy and for providing documentary evidence to substantiate the cause of the discrepancy to the satisfaction of CDS. Upon request by CDS, the Security Validator shall within a reasonable time provide to CDS a declaration signed by a Signing Officer of the quantity of each Security registered in the name of CDS or its Nominee on a specified date.</p>
<p><b>6.4.4 Domestic Custodian</b></p>	<p><b>6.4.4 Domestic Custodian</b></p>
<p>(f) Liability of Domestic Custodian The Domestic Custodian shall be liable to CDS for and shall indemnify and save and hold CDS harmless from and against any loss, damage, claim, suit or expense, including the fees and expenses of any legal counsel retained by</p>	<p>(f) Liability of Domestic Custodian The Domestic Custodian shall be liable to CDS for and shall indemnify and save and hold CDS harmless from and against any loss, damage, claim, suit or expense, including the fees and expenses of any legal counsel retained by</p>

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
<p>CDS, arising from or occasioned by <u>(i) the loss of any certificates or other instruments evidencing Securities held by the Domestic Custodian on behalf of CDS; or (ii) the negligent or wrongful acts of the itself or its directors, officers or employees in the performance of its duties to CDS under this Rule 6.4.4.</u> The appointment by the Domestic Custodian of an agent or subcustodian shall not limit the liability of the Domestic Custodian to CDS, and the Domestic Custodian shall be liable to CDS for any act or failure to act by its agent or subcustodian as if it were the act or failure to act of the Domestic Custodian.</p> <p><u>(h) Reconciliation of Records Audit</u>  <u>The Domestic Custodian shall provide to CDS data in a format and at such times as CDS requires to reconcile the quantity of each Security evidenced by the certificates and instruments held by it on behalf of CDS with CDS's records. If there is any discrepancy between the Domestic Custodian's holdings and the records of CDS, the Domestic Custodian shall be responsible for resolving the discrepancy and for providing documentary evidence to substantiate the cause of the discrepancy to the satisfaction of CDS. Upon request by CDS, the Domestic Custodian shall within a reasonable time provide to CDS a declaration signed by a Signing Officer statement of the quantity of each Security evidenced by the certificates and instruments held by it on behalf of CDS on a specified date. The statement shall be in a form that allows CDS to reconcile with CDS's own records. The statement shall be signed on behalf of the Domestic Custodian by a duly authorized employee or officer.</u></p>	<p>CDS, arising from or occasioned by (i) the loss of any certificates or other instruments evidencing Securities held by the Domestic Custodian on behalf of CDS; or (ii) the negligent or wrongful acts of the itself or its directors, officers or employees in the performance of its duties to CDS under this Rule 6.4.4. The appointment by the Domestic Custodian of an agent or subcustodian shall not limit the liability of the Domestic Custodian to CDS, and the Domestic Custodian shall be liable to CDS for any act or failure to act by its agent or subcustodian as if it were the act or failure to act of the Domestic Custodian.</p> <p>(h) Reconciliation of Records  The Domestic Custodian shall provide to CDS data in a format and at such times as CDS requires to reconcile the quantity of each Security evidenced by the certificates and instruments held by it on behalf of CDS with CDS's records. If there is any discrepancy between the Domestic Custodian's holdings and the records of CDS, the Domestic Custodian shall be responsible for resolving the discrepancy and for providing documentary evidence to substantiate the cause of the discrepancy to the satisfaction of CDS. Upon request by CDS, the Domestic Custodian shall within a reasonable time provide to CDS a declaration signed by a Signing Officer of the quantity of each Security evidenced by the certificates and instruments held by it on behalf of CDS on a specified date.</p>

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## Chapter 25

# Other Information

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### 25.1 Exemptions

#### 25.1.1 AHL Investment Strategies SPC – Class D Man AHL Diversified 2 CAD Notes – s. 19.1 of NI 41- 101 General Prospectus Requirements

##### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – NI 41-101 – Relief to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

##### Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1), 19.1, 19.3.

November 10, 2009

McMillan

##### Attention: Jason Chertin

Dear Sirs/Mesdames:

**Re: AHL Investment Strategies SPC – Class D Man  
AHL Diversified 2 CAD Notes (the Fund)**

**Exemptive Relief Application under Section  
19.1 of National Instrument 41-101 General  
Prospectus Requirements (“NI 41-501”)  
Application No. 2009/0692, SEDAR Project No.  
1447984**

By letter dated October 15, 2009 (the “**Application**”), the Fund applied to the Director of the Ontario Securities Commission (the “**Director**”) pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the Funds’ prospectus, provided the Fund’s final prospectus is filed no later than November 13, 2009.

Yours very truly,

“Rhonda Goldberg”  
Manager, Investment Funds Branch



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