The Ontario Securities Commission

OSC Bulletin

June 24, 2011

Volume 34, Issue 25

(2011), 34 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
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Published under the authority of the Commission by:
Carswell, a Thomson Reuters business
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:	Fax: 416-593-8122
Market Regulation Branch:	Fax: 416-595-8940
Compliance and Registrant Regulation Branch	
- Compliance:	Fax: 416-593-8240
- Registrant Regulation:	Fax: 416-593-8283
Corporate Finance Branch	
- Team 1:	Fax: 416-593-8244
- Team 2:	Fax: 416-593-3683
- Team 3:	Fax: 416-593-8252
- Insider Reporting:	Fax: 416-593-3666
- Mergers and Acquisitions:	Fax: 416-593-8177
Enforcement Branch:	Fax: 416-593-8321
Executive Offices:	Fax: 416-593-8241
General Counsel's Office:	Fax: 416-593-3681
Investment Funds Branch:	Fax: 416-593-3699
Office of the Secretary:	Fax: 416-593-2318

THOMSON REUTERS

The OSC Bulletin is published weekly by Carswell, a Thomson Reuters business, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $649 per year.

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

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on S*ecuritiesSource*™, Canada's pre-eminent web-based securities resource. *SecuritiesSource*™ also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*™, as well as ordering information, please go to:

http://www.westlawecarswell.com/SecuritiesSource/News/default.htm

or call Carswell Customer Relations at 1-800-387-5164 (416-609-3800 Toronto & Outside of Canada).

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

ISSN 0226-9325

THOMSON REUTERS

One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
Fax 1-416-298-5082
www.carswell.com
Email www.carswell.com/email

Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

June 24, 2011

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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

CDS **TDX 76**

Late Mail depository on the 19th Floor until 6:00 p.m.

- -

THE COMMISSIONERS

Howard I. Wetston, Chair	—	HIW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Mary G. Condon, Vice Chair	—	MGC
Sinan O. Akdeniz	—	SOA
James D. Carnwath	—	JDC
Margot C. Howard	—	MCH
Sarah B. Kavanagh	—	SBK
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

June 27-29, 2011 10:00 a.m.	**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: JDC/MCH
June 28, 2011 10:00 a.m.	**Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.** s. 127 A. Perschy in attendance for Staff Panel: CP
June 28, 2011 10:00 a.m.	**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** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: MGC

June 29, 2011
3:00 p.m.
Bernard Boily
s. 127 and 127.1
M. Vaillancourt/U. Sheikh in attendance for Staff
Panel: VK

July 5, 2011
2:30 p.m.
Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins
s. 127
C. Rossi in attendance for Staff
Panel: CP/CWMS

July 6-7, 2011
10:00 a.m.
Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC
s. 127
J. Feasby in attendance for Staff
Panel: VK/CWMS

July 8, 2011
10:00 a.m.
Goldpoint Resources Corporation, Pasqualino Novielli also known as Lee or Lino Novielli, Brian Patrick Moloney also known as Brian Caldwell, and Zaida Pimentel also known as Zaida Novielli
s. 127(1) and 127(5)
C. Watson in attendance for Staff
Panel: MGC/PLK

July 11, 2011
10:00 a.m.
Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff
s. 127
H. Craig in attendance for Staff
Panel: CP

July 11, 2011
10:00 a.m.
Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff
s. 37, 127 and 127.1
H. Craig in attendance for Staff
Panel: CP

July 11, 2011
11:30 a.m.
TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green
s. 127
H. Craig in attendance for Staff
Panel: CP

July 15, 2011
10:00 a.m.
Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo
s. 127
A. Clark in attendance for Staff
Panel: JEAT

July 15, 2011 11:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: JEAT
July 18 and July 20-25, 2011 10:00 a.m.	**Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
July 20, 2011 10:00 a.m.	**Peter Beck, Swift Trade Inc. (continued as 7722656 Canada Inc.), Biremis, Corp., Opal Stone Financial Services S.A., Barka Co. Limited, Trieme Corporation and a limited partnership referred to as "Anguilla LP"** s. 127 B. Shulman in attendance for Staff Panel: JEAT
July 20-22, July 26-27, August 3-4, and August 9-11, 2011 10:00 a.m.	**York Rio Resources Inc., Brilliante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale** s. 127 H. Craig/C. Watson in attendance for Staff Panel: VK/EPK
July 20, 2011 11:00 a.m.	**L.T.M.T. Trading Ltd. also known as L.T.M.T. Trading and Bernard Shaw** s. 127 A. Heydon in attendance for Staff Panel: JEAT
July 26, 2011 11:00 a.m.	**Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)** s. 127 S. Chandra in attendance for Staff Panel: EPK
July 27, 2011 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: JEAT
July 27, 2011 11:00 a.m.	**Peter Sbaraglia** s. 127 S. Horgan/P. Foy in attendance for Staff Panel: JEAT
July 29, 2011 10:00 a.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Vaillancourt in attendance for Staff Panel: EPK

August 10, 2011 10:00 a.m.	**Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso** s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT
September 6, 7, 9 and 12, 2011 10:00 a.m.	**Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman** s. 127(7) and 127(8) H. Craig in attendance for Staff Panel: TBA
September 6-12, September 14-26 and September 28, 2011 10:00 a.m.	**Anthony Ianno and Saverio Manzo** s. 127 and 127.1 A. Clark in attendance for Staff Panel: EPK/PLK
September 8, 2011 10:00 a.m.	**American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak** s. 127 J. Feasby in attendance for Staff Panel: TBA
September 8, 2011 11:00 a.m.	**Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock** s. 127 C. Johnson in attendance for Staff Panel: TBA
September 12, 2011 10:00 a.m. September 13, 2011 2:00 p.m.	**Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions** s. 127 and 127.1 H. Daley in attendance for Staff Panel: JDC/MCH
September 14-23, September 28 – October 4, 2011 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
October 3-7 and October 12-21, 2011 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 C. Price in attendance for Staff Panel: CP

October 5, 2011

10:00 a.m.

Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: MGC

October 12-24 and October 26-27, 2011

10:00 a.m.

Helen Kuszper and Paul Kuszper

s. 127 and 127.1

U. Sheikh in attendance for Staff

Panel: JDC/CWMS

October 17-24 and October 26-31, 2011

10:00 a.m.

Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan

s. 127(7) and 127(8)

C. Johnson in attendance for Staff

Panel: EPK/MCH

October 31, 2011

10:00 a.m.

Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang

s. 127 and 127.1

H. Craig in attendance for Staff

Panel: TBA

October 31 – November 3, 2011

10:00 a.m.

QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky

s. 127

C. Rossi in attendance for Staff

Panel: MGC

November 7, November 9-21, November 23 – December 2, 2011

10:00 a.m.

Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.

s. 37, 127 and 127.1

D. Ferris in attendance for Staff

Panel: EPK/PLK

November 14-21 and November 23-28, 2011

10:00 a.m.

Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments

s. 127

M. Britton in attendance for Staff

Panel: TBA

December 1-5 and December 7-15, 2011

10:00 a.m.

Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)

s. 127

S. Chandra in attendance for Staff

Panel: JDC

December 5 and December 7-16, 2011 10:00 a.m.	**L. Jeffrey Pogachar, Paola Lombardi, Alan S. Price, New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc.** s. 127 M. Britton in attendance for Staff Panel: EPK/PLK
December 19, 2011 9:00 a.m.	**New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov** s. 127 C. Watson in attendance for Staff Panel: MGC
January 3-10, 2012 10:00 a.m.	**Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban** s. 127 and 127.1 C. Johnson in attendance for Staff Panel: JDC
January 18-30 and February 1-10, 2012 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
February 1-13, February 15-17 and February 21-23, 2012 10:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
March 12, March 14-26, and March 28, 2012 10:00 a.m.	**David M. O'Brien** s. 37, 127 and 127.1 B. Shulman in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA

TBA

Frank Dunn, Douglas Beatty, Michael Gollogly

s. 127

K. Daniels in attendance for Staff

Panel: TBA

TBA

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

s. 127 and 127(1)

D. Ferris in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie

s. 127(1) and (5)

J. Feasby/C. Rossi in attendance for Staff

Panel: TBA

TBA

M P Global Financial Ltd., and Joe Feng Deng

s. 127 (1)

M. Britton in attendance for Staff

Panel: TBA

TBA

Shane Suman and Monie Rahman

s. 127 and 127(1)

C. Price in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Abel Da Silva

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA

Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA

Maple Leaf Investment Fund Corp., Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani

s. 127

A. Perschy/C. Rossi in attendance for Staff

Panel: TBA

TBA

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

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.

s. 127

S. Horgan in attendance for Staff

Panel: TBA

TBA

Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith

s. 127(1) and (5)

A. Heydon in attendance for Staff

Panel: TBA

TBA

Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA

Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker

s. 127

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

TBA

Paul Donald

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA

Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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. Boultbee and Peter Y. Atkinson

1.1.2 CSA Staff Notice 31-324 – Exempt market dealers and account statement requirements in National Instrument 31-103 Registration Requirements and Exemptions

CSA STAFF NOTICE 31-324

EXEMPT MARKET DEALERS AND ACCOUNT STATEMENT REQUIREMENTS IN NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS AND EXEMPTIONS*

June 22, 2011

Exempt Market Dealer (**EMD**) is a new registration category introduced with National Instrument 31-103 *Registration Requirements and Exemptions* (**NI 31-103**). This Staff Notice:

- sets out our expectations for EMDs' compliance with the account statement requirements in NI 31-103
- notes that we will focus attention on EMDs distributing securities of related or connected issuers
- draws attention to guidance we have published on the valuation of securities

Account statement requirements

As registered firms, EMDs are required to deliver client statements, also referred to as "account statements". EMDs must deliver account statements to their clients at least once every three months (**quarterly account statements**) and may also be required to deliver a monthly account statement if a transaction is effected in the account during that month, other than transactions made under an automatic withdrawal/payment plan (**end-of-month account statements**).

Account statements have two main components:

- **transaction information** relating to transactions the registered firm has effected for its client during the reporting period, and
- **account balance information** relating to cash and all securities that are in the client's account as at the end of the reporting period

The account statement requirements are found in section 14.14 of NI 31-103. The requirement for quarterly account statements of a registered dealer is found in subsection 14.14(1). The requirement for end-of-month account statements of a registered dealer is found in paragraph 14.14(2)(b). Transaction information is prescribed in subsection 14.14 (4). Account balance information for cash and securities that are in the client's account is prescribed in subsection 14.14(5).

The requirement to deliver quarterly account statements applies to all registered firms. These statements must include transaction information for all transactions made for the client during the period. However, the requirements to send an end-of-month account statement and provide account balance information are connected to transactions, cash or securities that are "in the account" of the client.

NI 31-103 does not specify what securities the Canadian Securities Administrators (the **CSA** or we) consider to be in the account and, so far, we have not published guidance on how we would interpret those words. As firms registered in a new category, EMDs have no established industry practice in this regard, unlike advisers or dealers registered in other categories.

Securities of a client which a registered firm holds or controls are in the client's account, and the established practice of registered dealers and advisers is to provide account balance information on securities they hold or control. In many cases, they also provide account balance information on securities that they have sold to clients, but do not hold or control. Examples of securities of a client not held or controlled by their dealer or adviser include those registered in a client's name on a third-party issuer's books ("client name" securities), or securities issued in certificate form that are kept in the possession of the client. For firms that are members of the *Investment Industry Regulatory Organization of Canada* (**IIROC**) or the *Mutual Fund Dealers Association of Canada* (**MFDA**), what securities must be included in account statements is set out in rules of their self-regulatory organization (**SRO**).

Staff expectations for contents of account statements

We acknowledge that it may be difficult for EMDs to develop systems to provide their clients with account balance information without having a requirement or guidance specifying which securities of a client should be considered to be in the account for those purposes.

CSA staff are currently developing proposals for further requirements or guidance on the content of account statements. In the meantime, until we publish new guidance, or new requirements come into effect, we will *not* expect an EMD to:

- deliver end-of-month account statements, or
- include account balance information in quarterly account statements,

in connection with securities of a client that are not held or controlled by the EMD.

We *will* expect an EMD to deliver quarterly account statements containing:

- transaction information covering each transaction it made for a client during the quarter, and
- account balance information for all cash and securities of the client that it holds or controls

If an EMD does not hold or control any cash or securities of a client, and it makes no transactions for the client during a quarter, we will not expect the EMD to send an account statement for that quarter to the client.

Where an EMD is also registered in another dealer category or as an adviser, we will expect it to provide all of its clients with account statements that are consistent with its practices under the other category of registration. An EMD that is also registered in a category that requires membership in IIROC or the MFDA must comply with applicable SRO rules.

We encourage EMDs that have adopted the practice of delivering account statements that include account balance information about securities that they do not hold and control to continue to do so.

Transitional relief in Ontario and Newfoundland and Labrador

In Ontario and Newfoundland and Labrador, there is transitional relief from the account statement requirement (i.e., section 14.14) for EMDs that had been registered under the former registration category of limited market dealer (referred to as "mapped-over" EMDs). This transitional relief remains available until its scheduled expiry on September 28, 2011. After that date, mapped-over EMDs will be expected to deliver account statements that are, at a minimum, consistent with the guidance in this Notice.

Securities of related or connected issuers

We have identified a disproportionate rate of compliance deficiencies among EMDs that distribute the securities of related or connected issuers where the same individuals form the management of both the EMD and the issuer. Specific instances include failure to adequately discharge the EMD's know-your-client obligation and obligation to make a determination that an investment is suitable for its client. We have also found cases of such EMDs failing to deal fairly, honestly and in good faith with their clients by using investor proceeds raised by them for their related or connected issuers for purposes other than those disclosed and marketed to investors.

Staff will focus compliance attention in this area, including monitoring client reporting by such EMDs. We will take enforcement action or other regulatory action where they are found to be acting contrary to securities law.

For guidance on when we will consider an issuer to be related or connected to an EMD, see the definitions in National Instrument 33-105 *Underwriting Conflicts* and its Companion Policy.

Valuation of securities

With respect to the requirement to include market valuations of clients' securities in account balance information, we draw attention to the guidance on the market value of securities in our proposed amendments to the companion policy to NI 31-103 that were published today as part of our proposals for cost disclosure and performance reporting by registrants. This guidance is consistent with what we previously published in the NI 31-103 "frequently asked questions" (**FAQ**). The proposed amendments and FAQ are available on CSA websites, including:

www.albertasecurities.com
www.lautorite.qc.ca
www.bcsc.bc.ca
www.msc.gov.mb.ca
www.gov.ns.ca/nssc
www.nbsc-cvmnb.ca
www.osc.gov.on.ca

Questions

If you have questions regarding this Notice please direct them to any of:

Christopher Jepson
Senior Legal Counsel
Compliance and Registrant Regulation
Ontario Securities Commission
Tel: 416-593-2379
cjepson@osc.gov.on.ca

Noulla Antoniou
Senior Accountant
Compliance and Registrant Regulation
Ontario Securities Commission
Tel: 416-595-8920
nantoniou@osc.gov.on.ca

Sophie Jean
Analyste expert en réglementation – pratiques de distribution
Autorité des marchés financiers
Tel : 514-395-0337, ext. 4786
Toll-free: 1-877-525-0337
sophie.jean@lautorite.qc.ca

Sarah Corrigall-Brown
Senior Legal Counsel
Capital Markets Regulation
British Columbia Securities Commission
Tel: 604-899-6738
1-800-373-6393
scorrigall-brown@bcsc.bc.ca

Navdeep Gill
Legal Counsel, Market Regulation
Alberta Securities Commission
Tel: 403-355-9043
navdeep.gill@asc.ca

Curtis Brezinski
Acting Deputy Director, Legal and Registration
Saskatchewan Financial Services Commission
Tel: 306-787-5876
curtis.brezinski@gov.sk.ca

Chris Besko
Legal Counsel, Deputy Director
The Manitoba Securities Commission
Tel: 204-945-2561
Toll Free (Manitoba only) 1-800-655-5244
chris.besko@gov.mb.ca

Brian W. Murphy
Deputy Director, Capital Markets
Nova Scotia Securities Commission
Tel: 902-424-4592
murphybw@gov.ns.ca

Jason L. Alcorn
Legal Counsel
New Brunswick Securities Commission
Tel: 506-643-7857
jason.alcorn@nbsc-cvmnb.ca

Katharine Tummon
Superintendent of Securities
Prince Edward Island Securities Office
Tel: 902-368-4542
kptummon@gov.pe.ca

Craig Whalen
Manager of Licensing, Registration and Compliance
Office of the Superintendent of Securities
Government of Newfoundland and Labrador
Tel: 709-729-5661
cwhalen@gov.nl.ca

Louis Arki
Director, Legal Registries
Department of Justice, Government of Nunavut
Tel: 867-975-6587
larki@gov.nu.ca

Donn MacDougall
Deputy Superintendent, Legal & Enforcement
Office of the Superintendent of Securities
Government of the Northwest Territories
Tel: 867-920-8984
donald.macdougall@gov.nt.ca

Frederik J. Pretorius
Manager Corporate Affairs (C-6)
Department of Community Services
Government of Yukon
Tel: 867-667-5225
Fred.Pretorius@gov.yk.ca

1.1.3 Notice of Ministerial Approval of Repeal and Replacement of NI 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report and Related Consequential Amendments

NOTICE OF MINISTERIAL APPROVAL
OF REPEAL AND REPLACEMENT OF
NATIONAL INSTRUMENT 43-101 *STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS,*
FORM 43-101F1 *TECHNICAL REPORT,*
AND RELATED CONSEQUENTIAL AMENDMENTS

Ministerial approval of certain rules

On May 18**,** 2011, the Minister of Finance approved, pursuant to section 143.3 of the *Securities Act* (Ontario) (the Act):

- repeal and replacement of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and Form 43-101F1 *Technical Report* (collectively, NI 43-101), and
- related consequential amendments to:
  - National Instrument 44-101 *Short Form Prospectus Distributions*
  - Form 51-102F1 *Management's Discussion and Analysis* and Form 51-102F2 *Annual Information Form*
  - National Instrument 45-106 *Prospectus and Registration Exemptions*
  - National Instrument 45-101 *Rights Offerings*

  (collectively, the Consequential Amendments).

The amendments to NI 43-101 and the Consequential Amendments will come into force on **June 30, 2011**.

Previously, materials related to the amendments to NI 43-101 and the Consequential Amendments were published in the Bulletin on April 8, 2011.

Commission approval of related policy

In connection with this initiative, the Ontario Securities Commission has adopted, pursuant to section 143.8 of the Act, amendments to Companion Policy 43-101CP to National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (the Policy). The amendments to the Policy become effective on the same date as the amendments to NI 43-101.

June 24, 2011

1.2 Notices of Hearing

1.2.1 New Hudson Television Corporation et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
NEW HUDSON TELEVISION CORPORATION,
NEW HUDSON TELEVISION L.L.C. &
JAMES DMITRY SALGANOV

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

WHEREAS on June 8, 2011, the Ontario Securities Commission (the "Commission") issued a temporary order pursuant to subsections 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 the securities of New Hudson Television Corporation ("NHTV Corp.") and New Hudson Television L.L.C. (NHTV LLC") shall cease; that NHTV Corp. and NHTV LLC and their representatives cease trading in all securities; and that any exemptions contained in Ontario securities law do not apply to NHTV Corp. and NHTV LLC (the "Temporary Order");

TAKE NOTICE THAT the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto commencing on June 22nd, 2011, at 9:00 a.m., or as soon thereafter as the hearing can be held;

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

(i) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

(ii) to make such further orders as the Commission considers appropriate;

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

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

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

DATED at Toronto this 16th day of June, 2011.

"John Stevenson"
Secretary to the Commission

1.2.2 Maitland Capital Ltd. et al. – 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
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

AMENDED NOTICE OF HEARING
Sections 127 and 127(1)

WHEREAS on the 24th day of January, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*") that all trading by Maitland Capital Ltd. ("Maitland") and its officers, directors, employees and/or agents in securities of Maitland shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 2 of subsection 127(1) of the *Act*, the Respondents cease trading in all securities;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 6 of subsection 127(1) of the *Act*, that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

AND WHEREAS on February 8, February 28, April 19 and May 29, 2006, the Commission ordered pursuant to subsection 127(7) of the *Act* that the Temporary Order was extended;

AND WHEREAS on May 19, 2006, the Commission authorized the commencement of a section 122 proceeding in the Ontario Court of Justice against Maitland, Abraham Herbert Grossman also known as Allen Grossman and Hanoch Ulfan also known as Hank Ulfan;

AND WHEREAS on September 12, 2006, the Commission ordered:

(i) the Temporary Order is extended until the conclusion of the hearing;

(ii) the hearing is adjourned until judgment is rendered in the section 122 proceeding; and

(iii) within four to eight weeks of judgment being rendered in the section 122 proceedings, a hearing shall be scheduled in the section 127 proceeding;

AND WHEREAS on March 23, 2011, Justice Sparrow of the Ontario Court of Justice found Abraham Herbert Grossman also known as Allen Grossman, Hanoch Ulfan also known as Hank Ulfan and Maitland guilty on 10 counts of breaching Ontario securities laws;

AND WHEREAS on May 4, 2011, Justice Sparrow of the Ontario Court of Justice sentenced Abraham Herbert Grossman also known as Allen Grossman and Hanoch Ulfan also known as Hank Ulfan each to 21 months in jail and two years of probation for breaches of Ontario securities law and fined Maitland $1 million;

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at its offices at 20 Queen Street West, 17th Floor Hearing Room on Tuesday, the 28th day of June, 2011 at 10:00 a.m. or as soon thereafter as the hearing can be held to consider whether, pursuant to s. 127 and s. 127.1 of the *Act*, it is in the public interest for the Commission:

(1) to continue the extension of the Temporary Order dated January 24, 2006 as extended by the Commission on September 12, 2006 against all the Respondents;

(2) at the conclusion of the hearing, to make an order pursuant to paragraph 2 of s. 127(1) that trading in the securities of Maitland cease until further order by this Commission;

(3) at the conclusion of the hearing, to make an order against any or all of the Respondents that:

(a) trading in any securities of or by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of s. 127 (1);

(aa) the acquisition of any securities by the Respondents is prohibited permanently of for such period as is specified by the Commission, pursuant to paragraph 2.1 of s. 127(1);

(b) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of s. 127(1);

(c) the Respondents be reprimanded, pursuant to paragraph 6 of s. 127(1);

(cc) the Respondents resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of s. 127(1);

(ccc) the Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, and investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of s. 127(1);

(cccc) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager and as a promoter, pursuant to paragraph 8.5 of s. 127(1):

(d) the Respondents pay an administrative penalty for failing to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1);

(e) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of s. 127(1); and

(f) the Respondents be ordered to pay the costs of the Commission investigation and hearing, pursuant to s. 127.1; and

(4) at the conclusion of the hearing, to make reciprocal orders pursuant to subsection 127(10) against Maitland, Allen Grossman, Hanouch Ulfan, Ron Garner, William Rouse, Diana Cassidy and Steven Lanys enforcing orders and convictions made by the Alberta Securities Commission, the Saskatchewan Financial Services Commission and the Ontario Court of Justice;

(5) at the conclusion of the hearing, to make an Order against any or all of the Respondents that they be prohibited from telephoning residences within or outside Ontario for the purpose of trading in securities pursuant to subsection 37(1); and

(6) to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Amended Statement of Allegations dated May 27, 2011 and such further additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 27th day of May, 2011.

"Daisy Aranha"
Per: John Stevenson
Secretary to the Commission

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

AND

IN THE MATTER OF
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

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

THE PARTIES

1. Maitland Capital Ltd. ("Maitland") is an Ontario corporation incorporated on November 2, 2004. Maitland is not registered in any capacity with the Commission.

2. The president and director of Maitland is Allen Grossman ("Grossman") of Toronto, Ontario. Allen Grossman is not registered in any capacity with the Commission.

3. The secretary-treasurer of Maitland is Hanouch Ulfan ("Ulfan"). Ulfan is not currently registered with the Commission.

4. The balance of the individual respondents were employed by or acted as agents for Maitland and acted as salespersons for Maitland shares.

SALE OF SHARES TO THE PUBLIC

5. On or about December 30, 2004, Maitland filed a form 45-103F4 – Report of Exempt Distribution ("Form F4") with the Commission relating to the distribution of common shares of Maitland to 73 investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and the Northwest Territories.

6. The Form F4 did not list or disclose any commissions or finder's fees paid in connection with the distribution of Maitland shares.

7. Since November 2004, Maitland, through its officers, directors, employees and/or agents including the individual respondents, has continued selling Maitland shares to residents of Ontario and elsewhere.

8. In selling the Maitland shares to Ontario residents, Maitland has relied upon the exemption for selling securities to accredited investors contained in OSC Rule 45-501 in circumstances where the exemption contained therein is not available.

9. The individual respondents (including Grossman and Ulfan) acted as salespersons or investor relation representatives for Maitland shares and received a 17% to 20% commission on the sale of Maitland shares which they sold.

10. The trades in Maitland shares are trades in securities not previously issued and are therefore distributions. No prospectus receipt has been issued to qualify the sale of Maitland shares.

11. Maitland and its representatives including the individual respondents made representations regarding the future value of Maitland shares and representations regarding Maitland being listed on a stock exchange with the intention of effecting trades in Maitland shares.

RELATED PROCEEDINGS

12. On July 22, 2005, the Saskatchewan Financial Services Commission (the "SFSC") issued a temporary cease trade order against Maitland, Grossman and Steven Lanys on the basis that the respondents traded in securities of Maitland in Saskatchewan when they were not registered and when no receipt for prospectus had been issued with respect to these securities.

13. On August 8, 2005, the SFSC extended the SFSC temporary cease trade order and this order remains in effect.

14. Maitland, Grossman and Steven Lanys are all subject to the SFSC cease trade order dated July 22, 2005.

15. On November 8, 2005, the Alberta Securities Commission (the "ASC") issued a temporary cease trade order against Maitland, Grossman, Gail Rubin, Jack Elliot, William Rouse, Ralph Jay, Jason Snow, Rick Blaine, Robert Thorne, Ron Gardner, Jack Travin, Tom Mezinski, Ron Catone, Robert Sinclair and Dianna Cassidy on the basis that ASC Staff had established a *prima facie* case that Maitland and the individual respondents breached Alberta securities law.

16. On November 21, 2005, the ASC extended the ASC cease trade order.

17. By decision dated June 7, 2007, the ASC found that Maitland, Grossman, William Rouse, Ron Gardner also known as Ron Garner and Dianna Cassidy all breached Alberta securities law.

18. By decision dated November 6, 2007, the ASC imposed the following sanctions:

    (i) Grossman was ordered to cease trading in or purchasing securities for a 20 year period;

    (ii) Grossman was banned from acting as a director or officer of any issuer for 20 years;

    (iii) Grossman was ordered to pay an administrative penalty of $250,000;

    (iv) Maitland was ordered to cease trading in or purchasing securities until a prospectus is filed with the ASC;

    (v) Ron Gardner also known as Ron Garner was ordered to cease trading in or purchasing securities for a period of five years;

    (vi) William Rouse and Dianna Cassidy were ordered to cease trading in or purchasing securities for a period of three years; and

    (vii) costs were awarded against each of the Respondents in varying amounts.

19. On March 23, 2011, following a trial conducted under the *Provincial Offences Act*, R.S.O. 1990, c. P.33, as amended, Justice Sparrow found Maitland, Grossman and Ulfan guilty of breaches of subsections 25(1), 38(2), 38(3), 53(1), 122(1)(b) and 122(3) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*").

20. On May 4, 2011, Justice Sparrow sentenced each of Grossman and Ulfan to 21 months in jail and two years of probation and fined Maitland $1 million.

21. As a result of these orders and convictions, the Commission may make the reciprocal orders requested in reliance on subsection 127(10) of the *Act*.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

22. Maitland and its representatives including the individual respondents, have made misleading misrepresentations to investors, including representations regarding the future listing and future value of Maitland shares with the intention of effecting sales of Maitland shares contrary to s. 38 of the *Act* and contrary to the public interest.

23. Maitland and the individual respondents are not registered with the Commission in any capacity. The respondents have traded in securities contrary to s. 25 of the *Act* and contrary to the public interest.

24. No prospectus receipt has been issued to qualify the sale of Maitland shares contrary to s. 53 of the *Act* and contrary to the public interest.

25. Maitland and Grossman made a statement in a report of exempt distribution required to be filed or furnished under Ontario securities law that, in a material respect, was misleading or untrue or did not state a fact that was required to be stated contrary to subsection 122(1)(b) of the *Act* and contrary to the public interest.

26. As officers and directors of Maitland, Grossman and Ulfan have authorized, permitted or acquiesced in breaches of s. 25, s. 38, s. 53 and s. 122(1)(b) of the *Act* by Maitland and its representatives including the individual respondents and in doing so have engaged in conduct contrary to the public interest.

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

Dated at Toronto this 27th day of May, 2011

1.3 News Releases

1.3.1 Canadian Securities Administrators Propose Enhanced Disclosure Requirements on Investment Costs and Performance

FOR IMMEDIATE RELEASE
June 22, 2011

CANADIAN SECURITIES ADMINISTRATORS
PROPOSE ENHANCED DISCLOSURE REQUIREMENTS
ON INVESTMENT COSTS AND PERFORMANCE

Toronto – The Canadian Securities Administrators (CSA) is publishing proposals that would require investors to be provided with clear and meaningful information on the costs and performance of their investments.

This important investor protection initiative is part of the second phase of the CSA's Client Relationship Model project, which brings expanded requirements for disclosure by dealers and advisers about the services they provide to their clients.

Under the proposed framework, registered dealers and advisers would be required to provide each of their clients with, among other things, annual reports on

- the dollar amount of charges paid for the products and services provided by the dealer or adviser; and
- how well their investments have performed that year and over longer periods.

"These proposals reflect the CSA's extensive dialogue with market participants and will require that investors, particularly retail investors, be provided with a better understanding of the costs and performance of their investments" said Bill Rice, Chair of the CSA and Chair and Chief Executive Officer of the Alberta Securities Commission.

The proposals were developed through extensive consultation with investors and industry. In drafting the proposal, the CSA surveyed approximately 2,000 investors and held document testing sessions to gain better insight into investors' understanding and expectations related to fees, performance measurement and reporting. Reports on the survey and document testing are available on the websites of various CSA members.

The Notice and Request for Comment on the proposals is available on CSA members' websites. The comment period is open until Friday, September 23, 2011.

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

For more information:

Richard Gilhooley
British Columbia Securities Commission
604-899-6713

Mark Dickey
Alberta Securities Commission
403-297-4481

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Jennifer Anderson
Saskatchewan Financial Services Commission
306-798-4160

Janice Callbeck
PEI Securities Office
Office of the Attorney General
902-368-6288

Doug Connolly
Financial Services Regulation Div.
Newfoundland and Labrador
709-729-2594

Graham Lang
Yukon Securities Registry
867-667-5466

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

Louis Arki
Nunavut Securities Office
867-975-6587

1.4 Notices from the Office of the Secretary

1.4.1 Rezwealth Financial Services Inc. et al.

FOR IMMEDIATE RELEASE
June 17, 2011

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

AND

IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,
TIFFIN FINANCIAL CORPORATION, DANIEL TIFFIN,
2150129 ONTARIO INC., SYLVAN BLACKETT,
1778445 ONTARIO INC. AND WILLOUGHBY SMITH

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing of this matter is adjourned to Tuesday, August 16, 2011 at 2:30 p.m. for a continued pre-hearing conference.

A copy of the Order dated June 16, 2011 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.2 New Hudson Television Corporation et al.

FOR IMMEDIATE RELEASE
June 20, 2011

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

AND

IN THE MATTER OF
NEW HUDSON TELEVISION CORPORATION,
NEW HUDSON TELEVISION L.L.C. &
JAMES DMITRY SALGANOV

TORONTO – The Office of the Secretary issued a Notice of Hearing on June 16, 2011 setting the matter down to be heard on June 22, 2011 at 9:00 a.m. to consider whether it is in the public interest for the Commission:

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

(2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated June 16, 2011 and Temporary Order dated June 8, 2011 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.3 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
June 21, 2011

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

AND

IN THE MATTER OF
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

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing on May 27, 2011 setting the matter down to be heard on June 28, 2011 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Amended Notice of Hearing dated May 27, 2011 and Amended Statement of Allegations of Staff of the Ontario Securities Commission dated May 27, 2011 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.4 David M. O'Brien

FOR IMMEDIATE RELEASE
June 22, 2011

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012; and a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m., or on such other date as may be agreed upon by the parties and fixed by the Office of the Secretary.

A copy of the Order dated June 20, 2011 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.5 Energy Syndications Inc. et al.

FOR IMMEDIATE RELEASE
June 22, 2011

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

AND

IN THE MATTER OF
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
LAND SYNDICATIONS INC. AND
DOUGLAS CHADDOCK

TORONTO – The Commission issued an Order which provides that,

1. The Temporary Order is extended until September 9, 2011, or until further order of the Commission;

2. The extension of the Temporary Order does not prohibit Green from engaging in the sale of goods provided that any sales agreement does not constitute an investment contract, as defined by Ontario securities law; and

3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission.

The hearing of this matter is adjourned to September 8, 2011 at 11:00 a.m. or on such other date or time as provided by the Secretary's Office and agreed to by the parties.

A copy of the Order dated June 22, 2011 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 EMC Metals Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1 – An issuer that is not yet an 'SEC issuer' wants to file financial statements prepared in accordance with U.S. GAAP and audited in accordance with U.S. GAAS – The issuer intends to become an SEC registrant – The issuer has filed a registration statement with the SEC – The issuer will meet all the elements of the definition of 'SEC issuer' once the SEC accepts its registration statement – The issuer will file financial statements that comply with the requirements for SEC issuers in NI 52-107 and NI 51-102 – If the issuer does not become an SEC issuer by a set date, it will re-file its financial statements in accordance with IFRS.

Applicable Legislative Provisions

National Instrument 52-107, s. 5.1 Acceptable Accounting Principles and Auditing Standards, ss. 3.2, 5.1.

June 8, 2011

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

AND

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

AND

IN THE MATTER OF
EMC METALS CORP.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standard*s (NI 52-107) that financial statements, other than acquisition statements, be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought), in order that the Filer may prepare financial statements for periods beginning on or after January 1, 2011 in accordance with U.S. GAAP.

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

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta; and

(b) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, NI 52-107 and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer was incorporated on July 17, 2006 under the name Golden Predator Mines Inc. pursuant to the *Business Corporations Act* (British Columbia); effective March 12, 2009, the Filer changed its name to EMC Metals Corp.;

2. the Filer's head office, and registered and records office is located at 11th Floor – 888 Dunsmuir Street, Vancouver, British Columbia, V6K 3K4;

3. the primary business of the Filer is the exploration and development of mineral properties located outside of Canada;

4. the Filer is a reporting issuer in the Jurisdictions and Alberta and is not in default of securities legislation in any jurisdiction; the Filer's financial year end is December 31;

5. the majority of the executive officers and directors of the Filer are resident in the United States;

6. the majority of the consolidated assets of the Filer are located in the United States;

7. the business of the Filer is administered principally in the United States;

8. the majority of the Filer's outstanding voting securities are directly or beneficially held by residents of the United States;

9. as at June 30, 2010, the Filer no longer met the definition of "foreign private issuer" as defined in Rule 3b-4 under the 1934 Act; as a result, effective January 1, 2011, the Filer became subject to U.S. securities laws as applicable to a U.S. domestic company;

10. the Filer has filed a Form 10 (General Form for Registration of Securities) on May 24, 2011 with the SEC in order to register its common shares under the 1934 Act and become subject to the requirement to file reports with the SEC under the 1934 Act; the Filer anticipates that it will become an SEC Issuer as defined in NI 52-107 in 60 days from the date of filing the Form 10, subject to the Filer not withdrawing and resubmitting the Form 10 in order to address comments of the SEC;

11. upon becoming an SEC Issuer, under Part 3.7 of NI 52-107, the Filer may prepare its financial statements, other than acquisitions statements, in accordance with U.S. GAAP;

12. the Exemption Sought will eliminate the need to plan and perform a conversion from Canadian GAAP – Part V to Canadian GAAP applicable to publicly accountable enterprises, then plan and perform a conversion from Canadian GAAP applicable to publicly accountable enterprises to U.S. GAAP;

13. if the Filer does not become an SEC Issuer by December 31, 2011, the Filer will immediately re-file on SEDAR all previously filed financial statements prepared in accordance with U.S. GAAP and related management's discussion and analysis; the re-filed financial statements will be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises; the management's discussion and analysis will be amended to reflect the re-filed financial statements; and the Filer will issue a news release upon re-filing the financial statements that explains the nature and purpose of the re-filings; and

14. based on the foregoing, the Filer submits that it would not be prejudicial to the public interest to allow the Filer to adopt U.S. GAAP.

Decision

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

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

1. the Filer files financial statements that are prepared in accordance with U.S. GAAP for periods beginning on or after January 1, 2011; and

2. if the Filer does not become an SEC Issuer by December 31, 2011, the Filer will immediately re-file on SEDAR all previously filed financial statements prepared in accordance with U.S. GAAP and related management's discussion and analysis in the manner described in representation 13.

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

2.1.2 Lumina Royalty Corp.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 43-101, s. 9.1 Standards of Disclosure for Mineral Projects – an issuer wants relief from the requirement to file a technical report upon becoming a reporting issuer – the issuer is a wholly owned subsidiary formed to acquire certain royalty interests from its parent as part of a spin out transaction; following completion of a statutory plan of arrangement, the shareholders of the parent will become the shareholders of the issuer; these shareholders currently hold an indirect interest in the royalty interests and, following completion of the arrangement, will continue to hold an indirect interest in the royalty interests; the operators or owners of the mineral projects have disclosed all scientific or technical information that is material to the issuer.

Applicable Legislative Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, s. 4.1, 9.

June 13, 2011

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

AND

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

AND

IN THE MATTER OF
LUMINA ROYALTY CORP.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer (the Application) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempted from the requirement in subsection 4.1(1) of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) to file a technical report, upon the Filer becoming a reporting issuer, for each mineral project on each property material to the Filer, in the circumstances described below (the Requested Relief).

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

(a) the British Columbia Securities Commission is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 (MI 11-102) is intended to be relied on in each of Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Northwest Territories, and the Yukon (the Non-Principal Jurisdictions); and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 43-101 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia) (the BCCA), with a head office in British Columbia;

2. the Filer is currently not a reporting issuer under the *Securities Act* (British Columbia) (the BC Act), the *Securities Act* (Ontario) (the Ontario Act) or applicable securities legislation in any Non-Principal Jurisdiction;

3. the Filer is not, to the best of its knowledge, in default of the requirements of applicable securities legislation in the Jurisdictions;

4. on or about June 2, 2011, the Filer will purchase from a Chilean subsidiary of Lumina Copper Corp. (LCC), a net smelter royalty with respect to LCC's Taca Taca property in Argentina;

5. on or about June 3, 2011, LCC will transfer to the Filer, among other assets, net smelter royalties with respect to Los Andes Copper Corp.'s Vizcachitas property, Teck Resources Limited's (Teck) Relincho property and Coro Mining Corp.'s (Coro) San Jorge property;

6. on May 6, 2011, the Filer entered into an arrangement agreement (the Arrangement Agreement) with LCC pursuant to which the Filer and LCC propose, subject to, among other conditions, obtaining approval of the shareholders of LCC, to effect a statutory plan of arrangement under section 188 of the BCCA (the Arrangement);

7. immediately preceding the Arrangement, LCC will be the sole shareholder of the Filer;

8. pursuant to the Arrangement, among other matters, each shareholder of LCC will receive from LCC as a distribution in respect of a reduction in share capital of LCC, one common share of the Filer for each common share of LCC then held.

9. the Filer will become a reporting issuer under the BC Act, the Ontario Act and each of the applicable securities legislations in the Non-Principal Jurisdictions immediately upon completion of the Arrangement which is expected to be on or about June 9, 2011;

10. after the completion of the Arrangement, the shareholders of LCC prior to the Arrangement will be the shareholders of the Filer;

11. the common shares of the Filer will not be listed for trading on an exchange;

12. under subsection 4.1(1) of NI 43-101, the Filer is required to file a technical report for a mineral project on each property material to the Filer upon becoming a reporting issuer in a jurisdiction of Canada;

13. the definition of mineral project under section 1.1 of NI 43-101 and includes a royalty interest or similar interest;

14. subject to completion of the Arrangement, the Filer anticipates that its royalty interests in the Relincho and San Jorge properties will make those properties material to the Filer;

15. the Filer and LCC have made scientific and technical disclosure regarding the Relincho and San Jorge properties in the Notice of Meeting and Management Information Circular for the Special Meeting of Shareholders dated as of May 9, 2011 (the Circular);

16. neither the Filer nor LCC are the owner or operator of the Relincho property or the San Jorge property;

17. according to the public disclosure record of Teck, the Relincho property is owned and operated directly or indirectly by Teck, who is a reporting issuer in all of the provinces and territories of Canada;

18. according to the public disclosure record of Teck, Teck is a producing issuer whose securities trade on the Toronto Stock Exchange (the TSX) in the case of Teck's Class A Common shares and on both the TSX and the New York Stock Exchange in the case of Teck's Class B subordinate voting shares;

19. according to the public disclosure record of Teck, Teck discloses mineral reserve and mineral resource estimates in accordance with the definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) in November 2010;

20. a technical report for the Relincho property entitled Technical Report, Relincho Copper-Molybdenum Property, Region III, Chile dated January 28, 2008 (the Relincho Report) was prepared by Norwest Corporation and filed by Global Copper Corp. (Global), which was purchased by Teck in August 2008. The Relincho Report is available on SEDAR under Global's profile at www.SEDAR.com. According to the public disclosure record of Global, the Relincho Report has been prepared in accordance with NI 43-101 and the qualified persons therein are independent of the Filer;

21. according to the public disclosure record of LCC and Coro, the San Jorge property is owned and operated directly or indirectly by Coro, who is a reporting issuer in each of the provinces of Canada other than Quebec;

22. a technical report for the San Jorge property entitled San Jorge Copper Concentrator, Preliminary Assessment Technical Report, Mendoza Province Argentina, Relincho Copper-Molybdenum Property, Region III, Chile with an effective date of June 18, 2008, revised as of April 2009 (the San Jorge Report) was filed by Coro. The San Jorge Report is available on SEDAR under Coro's profile at www.SEDAR.com. According to the public disclosure record of Coro, the San Jorge Report has been prepared in accordance with NI 43-101 and the qualified persons therein are independent of the Filer;

23. to the best of the Filer's knowledge, information and belief, the current or predecessor owners or operators of the Relincho and San Jorge properties have disclosed the scientific and technical information that is material to the Filer;

24. neither the Filer nor LCC have any rights to either access or inspect the Relincho property or the San Jorge property except that LCC has a limited right to inspect the San Jorge property for the purposes of ensuring compliance with the agreement to purchase the shares of Minera San Jorge S.A., the Argentinean subsidiary which owns the San Jorge property, as such agreement is amended from time to time;

25. neither the Filer nor LCC have any rights to receive or access any information or data of any kind from the owner and/or operator of the Relincho property and the San Jorge property not otherwise in the public domain; and

26. the Filer's interest in the Relincho and San Jorge properties is only as a holder of a royalty interest.

Decision

4 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 Maker is that the Requested Relief is granted.

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

2.1.3 CIBC Asset Management Inc. and Frontiers U.S. Equity Currency Neutral Pool

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Mutual fund granted relief from preparing and filing interim management report of fund performance – Fund was operating for a short period – Manager is the sole unitholder.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, s. 4.2.

April 26, 2011

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
CIBC ASSET MANAGEMENT INC.
(the Filer)

AND
FRONTIERS U.S. EQUITY CURRENCY
NEUTRAL POOL
(the Pool)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Pool for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption, pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) from the requirement contained in section 4.2 of NI 81-106 to prepare and file a management report of fund performance (**MRFP**) for the interim period ended February 28, 2011 (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the **Passport Jurisdictions**)

(The Jurisdiction and the Passport Jurisdictions are collectively, the **Jurisdictions**).

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the laws of Canada and has its head office in Toronto, Ontario.

2. The Filer is the manager and trustee of the Pool.

3. The Pool is an open-ended mutual fund trust established and organized under the laws of the Province of Ontario on December 1, 2010 pursuant to an amended and restated master declaration of trust dated as of August 30, 2010.

4. The Pool became a reporting issuer on December 9, 2010, following the issuance of a receipt by the Principal Regulator for the final simplified prospectus and annual information form of the Pool dated December 8, 2010.

5. None of the Pool or the Filer is in default of the securities legislation in any of the Jurisdictions.

6. The Pool has a fiscal year end as of August 31. The initial interim period end for the Pool is February 28, 2011.

7. No units, other than for seed capital purposes, were issued as of February 28, 2011.

8. As of February 28, 2011, the Filer was the sole unitholder in the Pool.

9. The Pool is a fund-of-fund product that invests in an underlying fund managed by the Filer and attempts to reduce its currency exposure to non-Canadian dollar currencies by implementing a currency hedging strategy. The seed capital money was invested in accordance with the investment objective of the Pool on January 12, 2011.

10. In the absence of the Exemption Sought, the Pool would be required to prepare and file in the

Jurisdictions an MRFP for the interim period ended February 28, 2011 for each of the Jurisdictions.

11. The Filer will prepare and file the interim financial statements for the Pool for the period ended February 28, 2011 as required by NI 81-106.

12. The benefit of preparing and filing an MRFP for the Pool would be minimal given that no units, other than for seed capital purposes, were issued as of February 28, 2011 and the Filer is the sole unitholder in the Pool.

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.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.4 Northwest Healthcare Properties Real Estate Investment Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to a real estate investment trust (REIT) from the requirement to file a business acquisition report (BAR) under Part 8 of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) in connection with the REIT's acquisition of a medical office complex – Acquisition is not significant under the asset and investment test in section 8.3(2) of NI 51-102, but is significant under the income test – REIT submitted that the calculation of consolidated income from continuing operations of the REIT for purposes of the income test under section 8.3(2) of NI 51-102 produces anomalous results because the significance of the acquisition is exaggerated out of proportion to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial, financial and practical factors – REIT provided the principal regulator with additional measures that show that, as a business, commercial, financial and practical matter, the acquisition should not be considered as a significant acquisition for the REIT – The results from these measures are generally consistent with the results of the asset and investment tests under section 8.3(2) of NI 51-102 – Relief granted based on the REIT's representations that as a business, commercial, financial and practical matter, the acquisition should not be considered as a significant acquisition for the REIT.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, Part 8 and s. 13.1.

June 15, 2011

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
NORTHWEST HEALTHCARE PROPERTIES
REAL ESTATE INVESTMENT TRUST
(THE "FILER" OR THE "REIT")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "**Legislation**") for relief from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") to file a business acquisition report ("**BAR**") in connection with the Filer's acquisition of the Malvern Medical Arts Building in Toronto, Ontario (the "**Malvern Medial Arts Building**") which was completed on April 1, 2011 (the "**Exemption Sought**").

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

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

(b) The Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

Interpretation

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

Representations

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

The REIT

1. The REIT is an unincorporated open-ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust with its head office in Toronto, Ontario.

2. The REIT is a reporting issuer under the securities legislation of each of the provinces and territories of Canada and is not in default of securities legislation in any jurisdiction.

3. The units of the REIT are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "NWH.UN".

4. The REIT completed its initial public offering (the "**IPO**") on March 25, 2010 pursuant to its final long form prospectus dated March 17, 2010.

5. The proceeds of the IPO were used by the REIT to indirectly acquire a portfolio of income-producing properties with a focus on leasing space to doctors, dentists, other medical professionals and related healthcare service providers such as pharmacies, laboratories and diagnostic imaging clinics from NorthWest Operating Trust.

The Malvern Medical Arts Building acquisition

6. On April 1, 2011, the REIT acquired the Malvern Medical Arts Building for an aggregate purchase price of $16.75 million.

7. The acquisition of the Malvern Medical Arts Building constitutes a "significant acquisition" of the REIT for purposes of Part 8 of NI 51-102, requiring the REIT to file a BAR within 75 days of the acquisition pursuant to section 8.2(1) of NI 51-102. The financial year of the acquired business is December 31.

Significance Test for the BAR

8. Under Part 8 of NI 51-102, the REIT is required to file a BAR for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in section 8.3(2) of NI 51-102.

9. The acquisition of the Malvern Medical Arts Building is not a significant acquisition under the asset test in section 8.3(2) of NI 51-102 as the value of the Malvern Medical Arts Building represented only approximately 0.4% of the consolidated assets of the REIT as of December 31, 2010.

10. The acquisition of the Malvern Medical Arts Building is not a significant acquisition under the investment test in section 8.3(2) of NI 51-102 as the REIT's acquisition costs represented only approximately 2.3% of the consolidated assets of the REIT as of December 31, 2010.

11. However, the acquisition of the Malvern Medical Arts Building would be a significant acquisition under the income test in section 8.3(2) of NI 51-102. In particular, the Malvern Medical Arts Building represents approximately 61.7% of the REIT's income from continuing operations as of December 31, 2010.

12. The calculation of consolidated income from continuing operations of the REIT for purposes of the income test under NI 51-102 produces anomalous results because the significance of the acquisition is exaggerated out of proportion to its significance on an objective basis in comparison to the results of the other significance tests and all other business, commercial and practical factors. Specifically, the vendor of the Malvern Medical Arts Building did not have a mortgage on the property, resulting in a zero debt to gross book value and therefore no mortgage interest expense in respect of the Malvern Medical Arts Building

(resulting in a significant comparable aggregate mortgage interest expense for the REIT). Additionally, since the property was originally purchased by the vendor in 1987, the cost basis for depreciation will be significantly reduced as compared to the REIT and the policy of the allocation of purchase price to in-place lease costs and customer relationships was adopted by the Canadian Institute of Chartered Accountants in September 2003, meaning that the vendor did not have to follow this method of accounting for the property and which would result in a significantly lower amortization expense for the Malvern Medical Arts Building, particularly as compared to the REIT.

De Minimis Acquisition

13. The REIT does not believe (nor did it believe at the time it made the acquisition) that the acquisition of the Malvern Medical Arts Building is significant to it from a practical, commercial, business or financial perspective.

14. The Filer has provided the principal regulator with additional measures which further demonstrate the insignificance of Malvern Medical Arts Building acquisition to the Filer and which are generally consistent with the results of the asset test and the investment test. These additional measures include measures based on:

    (a) how the Malvern Medical Arts Building represents only a certain percentage of the REIT's assets, the REIT's revenues and the REIT's consolidated net operating income for the period from March 25 to December 31, 2010 (pro forma the REIT's acquisition in the first quarter of 2011 of the Dundas-Edward Centre in Toronto, Ontario and the Hys Centre in Edmonton, Alberta),

    (b) the commercial gross leaseable area ("**GLA**") of the Malvern Medical Arts Building when compared to the aggregate GLA of the REIT's portfolio of buildings,

    (c) the number of tenants in the Malvern Medical Arts Building when compared to the aggregate number of tenants in the REIT's portfolio of buildings,

    (d) the number of parking stalls in the Malvern Medical Arts Building when compared to the aggregate number of parking stalls in the REIT's portfolio of buildings,

    (e) how the Malvern Medical Arts Building will represent only a certain percentage of the REIT's overall net income before value adjustments and Class B limited partnership unit distributions (which are considered liabilities under IFRS notwithstanding their equity-like nature and properties) based upon current projections for the period from January 1, 2011 to December 31, 2011,

    (f) how no additional management or increased G&A costs associated with the acquisition of the Malvern Medical Arts Building were incurred by the REIT,

    (g) how the acquisition of the Malvern Medical Arts Building did not result in an increase in the REIT's aggregate debt (since the REIT has no mortgage in place against the Malvern Medical Arts Building), and

    (h) the number of employees of the REIT working at the Malvern Medical Arts Building when compared to the total number of employees of the REIT.

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.

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

2.1.5 Segall Bryant & Hamill

Headnote

MI 11-102 – relief granted from margin rate applicable to U.S. money market mutual funds in calculation of market risk in Form 31-103F1 – margin rate for funds distributed in Canada is 5%, while funds distributed in U.S. is 100% – similar regulation of money market funds – NI 31-103.

Applicable Legislative Provisions

NI 31-103, ss. 12.1, 15.

June 17, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Principal Jurisdiction")

AND

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

AND

IN THE MATTER OF
SEGALL BRYANT & HAMILL
(the "Filer")

DECISION

Background

The Principal Regulator (as defined below) in the Principal Jurisdiction has received an application from the Filer for a decision under Subsection 15.1 of National Instrument 31-103 *Registration Requirements and Exemption*s ("**NI 31-103**") for relief from the requirement in section 12.1 of NI 31-103 that the Filer calculate its excess working capital using Form 31-103F1 (the "**Form F1**") only to the extent that the Filer be able to apply the same margin rate to investments in money market mutual funds qualified for sale by prospectus in the United States of America as is the case for money market mutual funds qualified for sale in a province of Canada when calculating market risk pursuant to Line 9 of the Form (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 (the "**OSC**" or "**Principal Regulator**") for this application, and

(b) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in the province of Quebec.

Interpretation

Defined terms contained in National Instrument 31-103 – *Registration Requirements and Exemptions* and MI 11-102 have the same meanings in this decision (the "**Decision**") unless they are otherwise defined in this Decision.

Representations

This Decision is based on the following facts represented by the Filer.

1. The Filer is a partnership established under the laws of the State of Minnesota in the United States of America ("**U.S.**") with its head office located in Chicago, Illinois.

2. The Filer is registered in the provinces of Ontario and Quebec as a portfolio manager.

3. The Filer is not a reporting issuer in any jurisdiction of Canada and is not, to its knowledge, in default of securities regulation in any jurisdiction of Canada, other than as disclosed in this Decision.

4. The Filer was established in 1994. The Filer is an independent, employee owned partnership which provides professional portfolio management of US equity, fixed income, balanced asset allocation portfolios and alternative investments to foundations, endowments, corporations, public funds, multi-employer plans, and private clients, primarily in the U.S. More than 80% of the Filer's revenues are received from clients in jurisdictions other than Canada.

5. The Filer is registered with the U.S. Securities and Exchange Commission as an investment adviser under the United States *Investment Advisers Act of 1940*, as amended ("the **1940 Act**").

6. The Filer invests its cash balances in money market mutual funds qualified for sale by prospectus in the U.S., specifically money market mutual funds which are registered investment companies under the 1940 Act, and which comply with Rule 2a-7 thereunder ("**Rule 2a-7**").

7. It is not practicable for the Filer to invest its cash balances in money market mutual funds qualified for sale by prospectus in a province of Canada because: such mutual funds are unlikely to be qualified for sale in the U.S.; as they are not offered by the financial institution used by the Filer they are not easily used for cash management purposes; there may be foreign exchange issues as the Filer invests in U.S. dollar denominated securities; there may be tax implications; and the

Filer lacks familiarity with Canadian money market funds and their issuers.

8. Under Schedule 1 of Form F1 an investment in the securities of a money market mutual fund qualified for sale by prospectus only in the U.S. would be subject to a margin rate of 100% of the market value of such investments for the purposes of Line 9 of Form F1.

9. The Filer would have excess working capital as calculated using Form F1 of less than zero unless relief is granted, and could not meet the capital requirements under NI 31-103.

10. The margin rate required for a money market mutual fund qualified for sale by prospectus in a province of Canada is 5% of the market value of such investment, as opposed to 100% for the market value of investments in a money market mutual fund qualified for sale by prospectus in the U.S.

11. The regulatory oversight and the quality of investments held by a money market mutual fund qualified for sale by prospectus in each of the U.S. and a province of Canada is similar. In particular Rule 2a-7 sets out requirements dealing with portfolio maturity, quality, diversification and liquidity, which are similar to requirements under National Instrument 81-102 – Mutual Funds ("**NI 81-102**").

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 so long as:

(a) any money market mutual fund invested in by the Filer is qualified for sale by prospectus in the U.S. as a result of being a registered investment company under the 1940 Act, which complies with Rule 2a-7;

(b) the requirements for money market mutual funds under Rule 2a-7 or any successor rule or legislation are similar to the requirements for Canadian money market mutual funds under NI 81-102 or any successor rule or legislation; and

(c) the Filer is registered with the U.S. Securities and Exchange Commission as an investment adviser under the 1940 Act.

"Erez Blumberger"
Deputy Director
Ontario Securities Commission

2.1.6 CCR Technologies Ltd.

Headnote

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

Applicable Legislative Provisions

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

Citation: CCR Technologies Ltd., Re, 2011 ABASC 330

June 14, 2011

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

AND

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

AND

IN THE MATTER OF
CCR TECHNOLOGIES LTD.
(THE FILER)

DECISION

Background

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

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

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

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

Interpretation

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

Representations

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

1. The Filer was created by way of amalgamation under the *Business Corporations Act* (Alberta) on May 10, 1995 and is a valid and subsisting corporation under the laws of the Province of Alberta.

2. The Filer has offices in Calgary, Alberta and Houston, Texas.

3. The Filer is a reporting issuer in each of Alberta, Ontario and Nova Scotia.

4. The Filer is subject to a cease trade order dated May 7, 2010 (the **Alberta Cease Trade Order**) issued by the Alberta Securities Commission (the **ASC**), a cease trade order dated May 11, 2010 issued by the British Columbia Securities Commission (the **BCSC**) and a cease trade order dated May 25, 2010 issued by the Ontario Securities Commission (the OSC) for the failure of the Filer to file its annual audited financial statements, annual management discussion and analysis, and certification of annual filings for the year ended December 31, 2009 (the Financial Statements) by the required filing deadline (collectively, the **Cease Trade Orders**).

5. The common shares of the Filer (**Filer Common Shares**) were posted for trading on the Canadian National Stock Exchange (**CNSX**) but were suspended from trading upon issuance of the Cease Trade Orders. The Filer Common Shares were subsequently delisted from the CNSX (the **Delisting**). The securities of the Filer were not listed or quoted on any other exchange or market in Canada or elsewhere.

6. On March 1, 2011, the Filer implemented a proposal (the **Proposal**) under the Bankruptcy and Insolvency Act to restructure and reorganize the financial affairs of the Filer, to compromise the claims of the unsecured creditors (**Unsecured Creditors**), restructure the share capital of the Filer, and thereby obtain the continued support of D.R.S. Resource Investments Inc. (DRS) and Dox Investments Inc. (**Dox**) (collectively the **Sponsors**) to allow it to avoid being placed in receivership and to allow it to conduct a restructuring and “rightsizing” of its operations on a going concern basis. The Proposal was approved pursuant to an order of the Court of Queen’s Bench of Alberta on January 13, 2011.

7. On January 18, 2011, the Filer filed, with the Executive Director of the ASC (the **Executive Director**), an application pursuant to Section 214 of the Securities Act (Alberta) (the Variation Application) and section 4.1 of National Policy 12-

202 *Revocation of Compliance-Related Cease Trade Order* (**NP 12-202**) to partially vary the Alberta Cease Trade Order in order to permit the implementation of the Proposal (the **Variation Order**). The Variation Order was approved pursuant to an order issued by the Executive Director of the ASC on February 11, 2011.

8. In connection with the Proposal, on March 1, 2011, all existing Filer Common Shares were designated as retractable, one hundred (100) Class B Shares of the Filer were issued to the two (2) Sponsors and/or their nominees as consideration for the funding of the Proposal, and the existing Filer Common Shares were retracted and cancelled for no consideration. All related options, warrants and other rights to acquire Filer Common Shares were also cancelled, without compensation.

9. In connection with the Proposal, fifty (50) Class B Shares were issued to DR Seaman & Co. Limited (as nominee on behalf of DRS) and to Dox, each of which are corporations incorporated under the *Business Corporations Act* (Alberta). As a result of the Proposal, the outstanding securities of the Filer, including debt securities, are now 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.

10. The Filer is subject to cease trade orders in Alberta, British Columbia and Ontario for its failure to file required filings under applicable securities laws. The Filer sought and received an order partially revoking the cease trade order in Alberta in order to permit trades in securities necessary for and in connection with the Proposal. Concurrently with this Order the Filer has applied for full revocations of the cease trade orders in Alberta, British Columbia and Ontario.

11. The Filer has voluntarily surrendered its status as a reporting issuer in British Columbia pursuant to BC Instrument 11-102 *Voluntary Surrender of Reporting Issuer Status*.

12. The Filer is applying for a decision that it is not a reporting issuer in all of the Jurisdictions.

13. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer as of the date hereof, other than the obligation to file: (a) its annual audited financial statements, managements' discussion and analysis and certification of annual filings for the year ended December 31, 2009; (b) its interim unaudited financial statements, interim managements' discussion and analysis and certification of interim filings for the interim periods ended March 31, June 30 and September 30, 2010; and (c) the notice under section 11.2(b) of National Instrument 51-102 *Continuous Disclosure Obligations* with respect of the Delisting (collectively, the **Filings**).

14. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is in default of its obligation to file the Filings.

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

16. The Filer, upon the receipt of the decision, will no longer be a reporting issuer or the equivalent thereof in any jurisdiction in Canada.

Decision

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

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.7 MKS Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

June 21, 2011

MKS Inc.
c/o Parametric Technology Corporation
140 Kendrick Street
Needham, MA, 02494
U.S.A.

Attention: Aaron C. von Staats

Dear Sirs/Madames:

MKS Inc. – (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (the Jurisdictions) that the Applicant is not a reporting issuer

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

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

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

"Lisa Enright"
Manager, Corporate Finance
Ontario Securities Commission

2.1.8 Angiotech Pharmaceuticals, Inc.

Headnote

National Policy 11–203 Process For Exemptive Relief Applications in Multiple Jurisdictions – CSA Staff Notice 12–307 Applications for Decisions that an Issuer is not a Reporting Issuer – Since there are currently 18 security holders in British Columbia, the Filer cannot avail itself of the simplified procedure under CSA Staff Notice 12–307 – Filer's level of Canadian ownership is minimal compared to the total ownership of its securities worldwide – Excluding the securities held by the Filer's senior management in British Columbia, there are nine Canadian resident security holders (i.e. less than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada) – There are only four security holders resident in Ontario – The Filer is not in default of any of its obligations under the securities legislation in any of the jurisdictions as a reporting issuer – The Filer does not have any securities trading on a marketplace as defined in National Instrument 21–101 Marketplace Operation – The Filer has not conducted a prospectus offering in Canada in the past 12 months – The Filer has no current intention of distributing any securities to the public in Canada – The Filer will remain a reporting company in the United States under the 1934 Securities and Exchange Act and will continue to comply with its reporting obligations in the U.S. and will concurrently deliver to its Canadian security holders all disclosure the Applicant is required under U.S. securities laws to deliver to U.S. resident security holders – Sufficient policy reasons that support granting the requested relief in the public interest deeming the Filer to cease to be a reporting issuer in the Jurisdictions including Ontario.

Applicable Legislative Provisions

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

June 20, 2011

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

AND

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

AND

IN THE MATTER OF
ANGIOTECH PHARMACEUTICALS, INC.
(FILER)

DECISION

Background

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

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

(a) the British Columbia Securities Commission (BCSC) is the principal regulator for this application, and

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

Interpretation

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

Representations

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

1. the Filer is a corporation incorporated under the laws of British Columbia; the Filer's head office is located in Vancouver, British Columbia;

2. the authorized capital of the Filer consists of an unlimited number of common shares without par value; there are currently 12,500,000 issued and outstanding common shares in the capital of the Filer;

3. pursuant to a prospectus dated December 9, 1997, the Filer completed an initial public offering (the Offering) of common shares in Canada (Old Common Shares); at that time, and up until March 3, 2011, the Filer's Old Common Shares were listed on the Toronto Stock Exchange (TSX);

4. as a result of the Offering, the Filer is now a reporting issuer or has the equivalent status in each applicable Jurisdiction;

5. on February 16, 2000, the Filer's Old Common Shares began trading on the NASDAQ National Market securities exchange (NASDAQ);

6. the Filer is a reporting company under the United States *Securities Exchange Act of 1934*, as amended (1934 Act);

7. the Filer issued an aggregate of US$250,000,000 face principal amount of 7.75% senior subordinated notes due 2014 (Subordinated Notes) and US$325,000,000 face principal amount of senior floating rate notes due 2013 (Existing Floating Rate Notes) pursuant to note indentures dated March 23, 2006 and December 13, 2006, respectively;

8. the Existing Floating Rate Notes are not listed on any exchange or marketplace but are registered under U.S. securities laws; all or substantially all of the Subordinated Notes and the Existing Floating Rate Notes were initially sold to institutional U.S. investors on a private placement basis; to the Filer's knowledge, none of the Subordinated Notes or the Existing Floating Rate Notes were originally issued to Canadian residents;

9. under the terms of the indenture governing the Existing Floating Rate Notes, as currently in effect, for so long as any Existing Floating Rate Notes are outstanding, the Filer is obligated to file with the United States Securities and Exchange Commission (SEC) such reports as would be required if the Filer were subject to the reporting obligations of Section 13(a) or 15(d) of the 1934 Act, and to provide copies thereof to the holders of the Existing Floating Rate Notes; in addition, under the terms of the indenture governing the Existing Floating Rate Notes, if, at any time, the Filer is no longer subject to the periodic reporting requirements of the 1934 Act for any reason, the Filer must nevertheless continue filing the reports specified above with the SEC within the time periods specified in the SEC's rules and regulations unless the SEC will not accept such filings, in which case the Filer is required to post the reports on its website within the time periods that would apply if the Filer were required to file those reports with the SEC;

10. the Filer's Old Common Shares were de-listed from the NASDAQ on January 21, 2011 and from the TSX on March 3, 2011;

11. on January 28, 2011, the Filer and certain of its subsidiaries (collectively, Angiotech Entities) voluntarily commenced proceedings under the *Companies' Creditors Arrangement Act* (Canada) (CCAA) by obtaining an initial order from the Supreme Court of British Columbia (Court) in order to implement a Court supervised restructuring of the Angiotech Entities' businesses (CCAA Recapitalization);

12. the CCAA Recapitalization was implemented on May 12, 2011 through a second amended and restated plan of compromise or arrangement (CCAA Plan) under the CCAA, under which, among other things, the Subordinated Notes were cancelled in exchange for shares of a new class of common shares of the Filer (New Common Shares);

13. concurrently with the implementation of the CCAA Plan, the Filer (i) consummated an offer to exchange (FRN Exchange Offer) the Existing Floating Rate Notes for new floating rate notes (New Floating Rate Notes), and (ii) implemented certain amendments to the indenture governing the Existing Floating Rate Notes under a consent solicitation initiated by the Filer;

14. the New Floating Rate Notes were issued on substantially similar terms as the Existing Floating Rate Notes, subject to certain exceptions including:

    (a) the New Floating Rate Notes accrue interest at the London Interbank Offered Rate (LIBOR) plus 3.75%, subject to a LIBOR floor of 1.25%,

    (b) subject to certain exceptions, the New Floating Rate Notes are secured by a second lien over the assets and property of the Filer and certain of its subsidiaries, and

    (c) certain amendments have been made to the provisions in the indenture governing the New Floating Rate Notes relating to use of proceeds received from certain asset sales, incurrence of additional indebtedness, permitted liens and change of control,

    the reporting requirements described in paragraph 9 apply to the New Floating Rate Notes;

15. the implementation of the CCAA Plan involved, among other things, the following:

    (a) the cancellation of all options, warrants or other rights or entitlements to acquire or purchase Old Common Shares without any liability, payment or other compensation,

    (b) an amendment to the Filer's Articles and Notice of Articles (i) re-designating the class of shares from which the Old Common Shares were issued as "Old Common Shares"; (ii) creating an unlimited number of New Common Shares with the rights, privileges, restrictions and conditions set forth in the Filer's Articles,

    (c) the issuance by the Filer to holders of the Subordinated Notes of their *pro rata* share of 12,500,000 New Common Shares,

    (d) the cancellation of the Filer's Old Common Shares without any liability, payment or other compensation,

    (e) an amendment to the Filer's Notice of Articles eliminating the Old Common Shares and the Class I Preference Shares from the authorized capital of the Filer,

    (f) the irrevocable and final cancellation of the Subordinated Notes and the indenture governing the Subordinated Notes, and

    (g) the adoption by the Filer of a new management incentive plan (MIP) under which the following grants were made to certain members of management of the Angiotech Entities and the board of directors of the Filer (MIP Participants) on the implementation date of the CCAA Plan: (i) 520,833 restricted share units or restricted stock; and (ii) options to acquire 862,809 New Common Shares;

16. under the terms of the grant agreements with individual MIP Participants, each MIP Participant agreed, as a condition of their participation in the MIP, that the Filer may cease to be a reporting issuer in the Jurisdictions at any time;

17. all of the affected creditors of the Angiotech Entities other than the holders of the Subordinated Notes elected to receive cash in respect of their affected claims (rather than New Common Shares); accordingly, following implementation of the CCAA Plan the only holders of New Common Shares were the former holders of the Subordinated Notes;

18. the Filer has no outstanding securities other than: (i) 12,500,000 New Common Shares, (ii) 520,833 restricted share units or restricted stock, (iii) US$25,000 of Existing Floating Rate Notes, (iv) US$324,975,000 of New Floating Rate Notes, and (v) options to acquire 862,809 New Common Shares granted to MIP Participants. All previous holders of Existing Shares had their equity interests in the Filer cancelled in connection with the implementation of the CCAA Plan;

19. based on the diligent inquiries of the Filer:

    (a) there are an aggregate of 12,500,000 New Common Shares issued and outstanding which, to the Filer's knowledge,, are held by not less than 106 shareholders worldwide, of which, to the Filer's knowledge, nine are resident Canadians holding an aggregate of 47,500 New Common Shares, representing less than 1% of the issued and outstanding New Common Shares; of these nine resident Canadian beneficial owners, (i) two are resident in British Columbia and hold an aggregate of 10,000 New Common Shares; (ii) four are resident in Ontario and hold an aggregate of 28,750 New Common Shares; and (iii) three are resident in Québec and hold an aggregate of 8,750 New Common Shares,

    (b) there are an aggregate of 520,833 restricted share units or restricted stock that were granted under the MIP held by 8 MIP Participants of which three are resident in British Columbia and hold an aggregate of 299,479 restricted share units,

    (c) there are options to acquire an aggregate of 862,809 New Common Shares issued and outstanding that were granted under the MIP held by 45 MIP Participants of which 16 are resident in British Columbia and hold options to acquire an aggregate of 367,903 New Common Shares, and

    (d) there is an aggregate of (i)US$25,000 face principal amount of Existing Floating Rate Notes, and (ii) US$324,975,000 face principal amount of New Floating Rate Notes issued and outstanding, which, to the Filer's knowledge, are held by not less than 138 beneficial owners worldwide, of which, to the Filer's knowledge, there are no resident Canadian beneficial owners;

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

21. the Filer has no current intention to distribute any securities to the public in Canada;

22. the Filer does not currently intend to seek financing by way of a public offering of its securities in Canada;

23. as a reporting company under the 1934 Act, the Filer will continue to comply with its reporting obligations in the U.S. and undertakes to concurrently deliver to its Canadian securityholders all disclosure the Filer is required under U.S. securities laws to deliver to U.S. resident securityholders; during such period, the Filer's U.S. filings will continue to be available through EDGAR and the Filer will continue to post its U.S. continuous disclosure documents on its website;

24. on April 29, 2011 the Filer issued and filed a news release announcing that the Filer has submitted an application to the securities regulatory authorities of the Jurisdictions to cease to be a reporting issuer in the Jurisdictions and, if the Exemptive Relief Sought is granted, the Filer will no longer be a reporting issuer in any Jurisdiction in Canada; and

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

Decision

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

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

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

2.1.9 Manulife Asset Management Limited

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from restrictions and requirements in subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 – Mutual Funds. Exemption will permit certain mutual funds to continue their investment in securities of certain related underlying funds after these underlying funds cease to offer their securities under a simplified prospectus – Underlying funds are not available for purchase by retail investors – Underlying funds will remain reporting issuers in the same jurisdictions as the top mutual funds after their prospectus lapses and will continue to be subject to the requirements of NI 81-102, NI 81-106 and NI 81-107.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.2(1)(a), 2.5(2)(a), 2.5(2)(c), 19.1.

June 21, 2011

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

AND

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

AND

IN THE MATTER OF
MANULIFE ASSET MANAGEMENT LIMITED
(MAML or the Filer)

AND

IN THE MATTER OF
THE MUTUAL FUNDS NOW (the Existing Funds)
OR IN THE FUTURE (the Future Funds, together with
the Existing Funds, the Funds) AND THE
UNDERLYING FUNDS (as defined below)
MANAGED BY MAML OR AN AFFILIATE
OR A SUCCESSOR OF MAML THAT ARE
SUBJECT TONATIONAL INSTRUMENT 81-102
MUTUAL FUNDS (NI 81-102)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Funds and on behalf of Manulife Canadian Equity Value Fund, Manulife Canadian Large Cap Growth Fund, Manulife U.S. Diversified Growth Fund, Manulife Canadian Equity Index Fund, Manulife International Equity Index Fund, Manulife U.S. Equity Index Fund and Manulife Canadian Fixed Income Fund (collectively, the **Underlying Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) granting an exemption (the **Requested Relief**) relieving the Funds from the requirements of subsection 2.1(1), 2.2(1)(a), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit each Fund to invest in securities of the Underlying Funds.

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, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut.

Interpretation

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

Representations

This decision is based on the following facts represented by the Filer on its own behalf and on behalf of the Funds and the Underlying Funds:

1. MAML is a corporation governed under the *Business Corporations Act* (Ontario) and has its head office located in Toronto, Ontario.

2. MAML is registered in the categories of commodity trading manager, exempt market dealer, mutual fund dealer, portfolio manager and investment fund manager.

3. MAML or an affiliate or a successor of MAML is or will be the manager of each of the Funds.

4. Each Fund is, or will be, a mutual fund organized and governed under the laws of a jurisdiction of Canada.

5. Securities of each Fund and Underlying Fund are qualified for distribution in each of the provinces and territories of Canada pursuant to simplified prospectuses and annual information forms that have been, or will be, receipted by the securities regulators in the applicable jurisdiction(s). Each Fund and Underlying Fund is, accordingly, a reporting issuer in each of the provinces and territories of Canada.

6. Each of the Funds and the Underlying Funds is a mutual fund to which National Instrument 81-101 – *Mutual Fund Distributions (***NI 81-101**), NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107** and, together with NI 81-102 and NI 81-106, the **Mutual Fund Instruments**) currently applies, except to the extent that it may be granted discretionary relief from any such requirements.

7. The Ontario Securities Commission is the principal regulator to review and grant the Requested Relief as the head office of the Filer is in the Province of Ontario.

8. MAML, the Funds and the Underlying Funds are not in default of securities legislation in any province or territory of Canada.

9. Each Fund's investment objective permits the Fund to invest, directly or indirectly in securities. The Funds' investment objectives permit the Funds to make such investments either: (a) directly, by purchasing and holding such securities; or (b) indirectly through investments in other mutual funds such as the Underlying Funds.

10. The Underlying Funds offer series O units (**Series O units**) which, although currently prospectus qualified, are not currently offered for purchase by retail investors in Canada. In the past, Series O units of the Underlying Funds were only available for purchase by the Funds and certain other institutional investors, all of whom are "accredited investors" (as defined in National Instrument 45-106 – *Prospectus Exempt Distributions*) and employees of MAML or its affiliates.

11. Once the Requested Relief is granted, the Series O units will only be available for purchase by accredited investors.

12. The Underlying Funds, subject to receipt of the Requested Relief, intend not to renew their prospectus after their prospectus lapse date in August 2011 (the **Lapse Date**). After the Lapse Date, the Underlying Funds intend to continue distributing their Series O units only on a basis which is exempt from the prospectus requirements in Canadian securities legislation (principally by distributing their Series O units only to accredited investors).

13. After the Lapse Date, the Underlying Funds will remain reporting issuers in each jurisdiction in which the Funds are also reporting issuers, and will accordingly remain subject to all of the requirements of the Mutual Fund Instruments, except to the extent that they may be granted discretionary relief from any such requirements, such as the Requested Relief. A Fund will not purchase or hold securities of an Underlying Fund if the Underlying Fund ceases to be a reporting issuer in any jurisdiction in which that Fund is a reporting issuer.

14. A Fund will invest in securities of an Underlying Fund only if such investment is permitted by, and consistent with, the investment objective of the Fund.

15. The Filer believes it would advantageous to each Fund and its securityholders that currently invest in Series O units of the Underlying Funds to be able to continue to invest in Series O units of the Underlying Funds and to maintain exposure to the portfolio of securities of the Underlying Funds. It would be administratively inefficient and costly for each Fund to directly invest in the securities held by the Underlying Funds.

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 to the Funds provided that the Underlying Funds remain reporting issuers that are subject to the Mutual Fund Instruments in all jurisdictions in which the Funds are reporting issuers.

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

2.1.10 CI Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Registered investment fund manager that is also a reporting issuer exempted from paragraph 12.14(2)(a) of National Instrument 31-103 Registration Requirements and Exemptions, subject to terms and conditions – Exemption has the effect of allowing the registrant 45 days, instead of the 30 days specified in subsection 12.14(2), to deliver to the regulator its financial information for the first, second, and third interim periods of each financial year.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 4.3, 4.3(1), 4.4, 13.4.
National Instrument 31-103 Registration Requirements and Exemptions, ss. 12.14(2), 12.14(2)(a).

June 21, 2011

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
CI INVESTMENTS INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the **Application**) from the Filer for a decision under the securities legislation of the jurisdiction of the principal regulator (the **Legislation**) exempting the Filer from the provisions (the **Interim Financial Information Delivery Requirement**) of paragraph (a) of subsection 12.14(2) of National Instrument 31-103 – *Registration Requirements and Exemptions* (**NI 31-103**), which provides that a registered investment fund manager must deliver to the regulator, no later than the 30th day after the end of the first, second and third interim period of its financial year, its interim financial information for that interim period.

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

(a) the Ontario Securities Commission (the **OSC**) 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 British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island (the **Other 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 in this decision.

Representations

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

1. The Filer and its parent, CI Financial Corp. (the **Parent**), are both corporations established under the laws of Ontario and their head office is located in Ontario.

2. The Filer is registered with the OSC as an investment fund manager. The Filer is also registered with the OSC as an adviser in the category of portfolio manager and as a dealer in the category of exempt market dealer. In each of the Other Jurisdictions, the Filer is registered as an adviser in the category of portfolio manager.

3. The Filer has been a reporting issuer in all provinces of Canada since December 6, 2010, when it filed a short-form base shelf prospectus with the OSC, as well as securities regulators in the Other Jurisdictions, to offer to the public debt securities, which are fully and unconditionally guaranteed by the Parent.

4. In its capacity as investment fund manager, as of December 31, 2010, the Filer managed approximately 189 publicly-distributed mutual funds and 20 closed-end investment funds, as well as approximately 418 segregated funds. The Filer's assets under management as of December 31, 2010 were $71.4 billion.

5. The Parent is also a reporting issuer and its securities are listed on the Toronto Stock Exchange.

6. Neither the Filer nor the Parent is in default of securities legislation in any jurisdiction of Canada.

7. The Parent operates through two major operating subsidiaries (the **Subsidiaries**), one of which is the Filer. All of the Parent's income is derived from the Subsidiaries, and for the year ended December 31, 2010, more than 95% of the

Parent's income was derived from the Filer. As such, the preparation of financial information of the Parent and the Filer is highly intertwined.

8. The Filer is a "credit support issuer" (as such term is defined in section 13.4 of NI 51-102), and as such, it is exempt under National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**) from certain of the continuous disclosure requirements applicable to reporting issuers if certain criteria are satisfied, including that the Filer files, or provides notice that it is relying upon, the continuous disclosure documents that are required to be Filed by the Parent under securities law.

9. Under continuous disclosure obligations that are applicable to the Parent as a reporting issuer, the Parent is subject to requirements in section 4.3 of NI 51-102 relating to the filing of interim financial reports.

10. Under section 4.4 of NI 51-102, the interim financial report that the Parent is required to file under subsection 4.3(1) of NI 51-102 must be filed on or before the earlier of:

    (a) the 45th day after the end of the interim period, and

    (b) the date of filing, in a foreign jurisdiction, an interim financial report for a period ending on the last day of the interim period.

11. As a reporting issuer, the Parent is also subject to additional requirements and follows additional procedures relating to the filing of financial information that it is required to file under section 4.4 of NI 51-102. Registrants that are not reporting issuers are not subject to these additional requirements and procedures which generally increase the time it takes to prepare and approve financial information, and include requirements and procedures in respect of board and audit committee approval, certification, and the preparation of Management Discussion and Analysis and a news release.

12. As a credit support issuer, the Filer is also subject to material change reporting requirements for all material changes in respect of the affairs of the Filer which are not material changes in the affairs of the Parent. Material change reporting requirements are not applicable to registrants that are not reporting issuers.

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, in the case of the first, second and third interim periods of each financial year of the Filer, the Filer is exempt from the Interim Financial Information Delivery Requirement for that interim period, provided that:

1. the Filer and the Parent are then reporting issuers;

2. the Filer continues to be a wholly-owned subsidiary of the Parent;

3. the Filer delivers to the regulator its interim financial information for the period no later than the 45th day after the end of the interim period; and

4. under the continuous disclosure obligations then applicable to the Filer and the Parent as reporting issuers, neither the Filer or the Parent is required to file its interim financial report earlier than the 45th day after the end of the interim period.

"Erez Blumberger"
Deputy Director
Ontario Securities Commission

2.1.11 Alternative Fuel Systems (2004) Inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

Citation: Alternative Fuel Systems (2004) Inc., Re, 2011 ABASC 342

June 6, 2011

Davies Ward Phillips & Vineberg LLP
44th Floor
1 Canadian Place
Toronto, ON M5X 1B1

Attention: Kevin Greenspoon

Dear Sir:

Re: Alternative Fuel Systems (2004) Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Ontario and Québec (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

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

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

(d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

"Blaine Young"
Associate Director, Corporate Finance

2.1.12 Desjardins Securities Inc.

Headnote

A large investment dealer owned by a financial group with separate Capital Market and Brokerage and Private Client services divisions and de facto co-CEOs exempted from requirements to register a single ultimate designated person (UDP) – permitted to register two UDPs one for each operating division.

Statutes Cited

National Instrument 31-103 Registration Requirements and Exemptions, s. 11.2.

June 21,2011

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

AND

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

AND

IN THE MATTER OF
DESJARDINS SECURITIES INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption for the Filer from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements and Exemptions* (**NI 31-103**) to designate an individual to be the ultimate designated person (**UDP**) and instead be permitted to designate and register two individuals as UDP in respect of two distinct lines of securities business of the Filer (the **Exemption Sought**).

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

a) the Autorite des marches financiers is the principal regulator for this application;

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 all of the jurisdictions in Canada outside of Quebec and Ontario (the **Non-principal Jurisdictions**, or together with the Jurisdictions, the **Application Jurisdictions**); and

c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

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

Representations

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

1. The Filer has its head office in Quebec.

2. The Filer is registered under the Legislation in the category of investment dealer, is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

3. The Filer is also registered as an investment dealer in each of the Non-Principal Jurisdictions.

4. The Filer is not, to the best of its knowledge, in default of any requirements of securities legislation in any of the Application Jurisdictions.

5 The Filer's business structure is organized as follows:

   a) The Filer has two distinct divisions (each a **Division**) based on the nature of the client served – an institutional Division called "Capital Markets" and a retail Division called "Brokerage and Private Client Services".

   b) The "Capital Markets" Division of the Filer forms part of the "Business and Institutional Services" sector of Desjardins Group. The "Capital Markets" Division consists of Fixed Income, Institutional Equities, Investment Banking and Research.

   c) The "Business and Institutional Services" sector of Desjardins Group is also composed of units specialized in commercial lending to small, medium and large companies in addition to offering specialized services. These activities are conducted by affiliates of the Filer who are not members of 1IROC (and do not need to be because of the nature of their particular activities),

d) The "Business and Institutional Services" sector of Desjardins Group has its own support functions such as Finance and Treasury, Risk Management. Human Resources, Technology and Communications.

e) The Brokerage and Private Client Services" Division of the Filer forms part of the "Wealth Management and Life and Health Insurance' sector of Desjardins Group. The "Brokerage and Private Client Services" Division of the Filer carries out its activities principally in Quebec and Ontario. It provides advisory and self execution brokerage services and other wealth management related services to retail clients.

f) The "Wealth Management and Life and Health insurance" sector of Desjardins Group includes other activities in insurance of persons and manufacturing of products by affiliates of the Filer who are not members of IIROC (and do not need to be because of the nature of their specific activities).

g) The "Wealth Management and Life and Health Insurance" sector of Desjardins Group has its own support functions such as Finance and Treasury, Risk Management, Human Resources, Technology and Communications.

h) The "Capital Markets" Division and "Brokerage and Private Client Services" Division each have separate and distinct senior management structures. Although they are part of the same corporate entity (i.e. the Filer), each Division is functionally a stand-alone independent operation within Desjardins Group.

i) The head of each Division (**Division Head**) has equivalent roles to that of a Chief Executive Officer (**CEO**) in respect of the Division for which they are responsible Each Division Head reports independently to the President and CEO of Desjardins Group and each has access to the Filer's Board of Directors.

j) Each of the Division Heads has final authority to effect decisions in respect of their Division (subject to the approval by the Board of Directors of the Filer).

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

UDP Requirement

1. NI 31-103 was implemented on September 28, 2009 (the **Implementation Date**).

2. Under paragraph 11.2 (2) of NI 31-103, a registered firm is required to designate an individual to be the UDP (the **UDP Requirement**) and the UDP must be the CEO, or equivalent of the registered firm.

3. Designating only one of the Division Heads for purposes of satisfying the UDP Requirement would not be consistent with the policy objectives it is intended to achieve because the Division Heads are each effectively a CEO of their respective Divisions.

Decision

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

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

i) each Division shall have its own UDP, who shall be its Division Head. Superintendent, Client Services, Compensation and Distribution

“Mario Albert”

2.1.13 Alliance Pipeline Limited Partnership

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1 – The Filer requests relief from the requirements under section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards, s. 5.1.

Citation: Alliance Pipeline Limited Partnership, Re, 2011 ABASC 335

June 17, 2011

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
ALLIANCE PIPELINE LIMITED PARTNERSHIP
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements under section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the **Exemption Sought**) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

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

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

(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 British Columbia, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Passport Jurisdictions); and

(c) this 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* or MI 11-102, National Instrument 51-102 *Continuous Disclosure Obligations* or NI 52-107 have the same meaning if used in this decision, unless otherwise defined herein.

Representations

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

1. The Filer is a limited partnership established under the laws of Alberta. The head office of the Filer is in Calgary, Alberta.

2. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction.

3. The Filer is not an SEC issuer.

4. The Filer has "activities subject to rate regulation", as defined in the Handbook.

5. As a "qualifying entity" for the purposes of section 5.4 of NI 52-107, the Filer is permitted by that provision to prepare its financial statements for its financial year commencing 1 January 2011 and ending 31 December 2011 in accordance with Canadian GAAP – Part V of the Handbook.

6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP, which accords treatment of “activities subject to rate regulation” similar to that under Canadian GAAP – Part V.

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.

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

   (a) for its financial years commencing on or after 1 January 2012 but before 1 January 2015 and interim periods therein, the Filer files its financial statements in accordance with U.S. GAAP; and

   (b) information for comparative periods presented in the financial statements referred to in paragraph (a) is prepared in accordance with U.S. GAAP.

8. The Exemption Sought will terminate in respect of the Filer's financial statements for annual and interim periods commencing on or after the earlier of:

   (a) 1 January 2015; and

   (b) the date on which the Filer ceases to have “activities subject to rate regulation” as defined in the Handbook as at the date of this decision.

“Cheryl McGillivray”
Manager, Corporate Finance

2.1.14 PCI-1 Capital Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1 – An issuer wants relief from the requirement to prepare its financial statement in accordance with Canadian GAAP in order to use IFRS before the January 1, 2011 changeover date – The issuer has assessed the readiness of its staff, board, audit committee, auditors and investors; the issuer will provide detailed disclosure regarding its early adoption of IFRS in its MD&A as set out in CSA Staff Notice 52-320; the issuer will restate any financial statements prepared in accordance with Canadian GAAP for interim periods for the fiscal year in which they intend to adopt IFRS together with related interim MD&A and certificates required by NI 52-109.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1.

November 29, 2010

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

AND

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

AND

IN THE MATTER OF
PCI-1 CAPITAL CORP.
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought), in order that the Filer may prepare its financial statements for financial years beginning on or after January 1, 2010 and interim periods ending on or after September 30, 2010 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS-IASB).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta (the Passport Jurisdiction); 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

2 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

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

1. the Filer is a corporation incorporated under the laws of Ontario;

2. the head office of the Filer is located at Suite 1020, 800 West Pender Street, Vancouver, British Columbia, V6C 2V6 and its registered office is located at Suite 2500, 181 Bay Street, Toronto, Ontario, M5J 2T7;

3. the Filer is a reporting issuer in the Jurisdictions and the Passport Jurisdiction;

4. the Filer is not in default of its reporting issuer obligations under the securities legislation of any jurisdiction;

5. the Filer's securities are listed on the TSX Venture Exchange (TSXV);

6. the Filer was a capital pool company listed on the TSXV until November 26, 2010 when it completed its qualifying transaction under TSXV Policy 2.4 *Capital Pool Companies* (the Qualifying Transaction) with the target Curis Resources Ltd. (the Target);

7. upon the completion of the Qualifying Transaction, the Target became a subsidiary of the Filer and the Filer continued to carry on its business through the Target (the Resulting Issuer);

8. the Filer holds an 100% interest in the Florence Copper Project consisting of approximately 1,342 acres located approximately 2.5 miles northwest of the town of Florence, Pinal County, Arizona, U.S.A.;

9. the filing statement of the Filer describing the Qualifying Transaction dated November 12, 2010 contains financial statements for the Target prepared in accordance with IFRS for the year ended March 31, 2010 and the interim period ended June 30, 2010 (Filing Statement Financial Statements); the Filer analyzed the Filing Statement Financial Statements and determined there would have been no material differences, in recognition or measurement, had those Filing Statement Financial Statements been prepared in accordance with Canadian GAAP;

10. the Target has been preparing its financial statements in accordance with IFRS since its incorporation; the financial statements of the Target for its 2010 and 2009 financial years were prepared in accordance with IFRS and were audited in such form; all interim financial reports prepared by the Target have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued under IFRS-IASB;

11. the Qualifying Transaction is a reverse acquisition; although for legal purposes the Filer was the acquiror, for accounting purposes the Target was the acquiror; accordingly, the financial statements of the Resulting Issuer are those of the accounting acquiror, namely the Target;

12. the fiscal year end of the Resulting Issuer was changed to March 31 upon completion of the Qualifying Transaction;

13. the Filer will not file a management's discussion and analysis (MD&A) for the Target's interim period ended September 30, 2010 as permitted under part 5.1(1.1) of National Instrument 51-102 *Continuous Disclosure Obligations*; the Filer will file the Target's financial statements for the interim period ended September 30, 2010;

14. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;

15. the Canadian Accounting Standards Board adopted IFRS-IASB as Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011;

16. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS-IASB;

17. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to

January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;

18. subject to obtaining the Exemption Sought, the Filer will adopt IFRS-IASB concurrent with the completion of the Qualifying Transaction;

19. the Filer believes that the use of a single accounting standard would eliminate complexity and cost from the Filer's financial statement preparation process;

20. the Target has historically prepared its financial statements in accordance with IFRS, and since the Target is now the Resulting Issuer, there is no conversion plan necessary;

21. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB concurrent with the completion of the Qualifying Transaction and has concluded that they will be adequately prepared for the Filer's adoption of IFRS-IASB concurrent with the completion of the Qualifying Transaction;

22. the Filer has considered the implications of using IFRS-IASB concurrent with the completion of the Qualifying Transaction and on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information; and

23. the Filer will amend and restate its MD&A for the interim period ended June 30, 2010 with relevant information about its transition to IFRS-IASB, including:

    (a) the key elements and timing of the Filer's changeover plan;

    (b) an explanation that the Qualifying Transaction is a reverse acquisition;

    (c) the Filer's accounting will be a continuation of the Target's accounting which has been IFRS since inception; and

    (d) the Target will account for the Filer as a reverse asset acquisition and present consolidated financial statements.

Decision

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

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

(a) the Filer prepares its annual financial statements for years beginning on or after January 1, 2010 in accordance with IFRS-IASB;

(b) the Filer prepares its interim financial statements for interim periods ending on or after September 30, 2010 in accordance with IFRS-IASB; and

(c) the Filer provides the communication set out in paragraph 23.

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

2.1.15 Acuity Funds Ltd. et al.

Headnote

One time trade of securities from non-redeeemable investment funds to mutual funds in connection with proposed mergers, both advised by the same portfolio manager – costs of the mergers borne by the manager – sale of securities exempt from the self–dealing prohibitions in paragraph s.13.5(2)(b)(iii), National Instrument 31-103 – Registration Requirements and Exemptions.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(b)(iii), 15.1.

June 20, 2011

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
ACUITY FUNDS LTD. AND
ACUITY INVESTMENT MANAGEMENT INC.
(COLLECTIVELY, THE FILERS)

AND

ACUITY SMALL CAP CORPORATION
ACUITY GROWTH & INCOME TRUST
ACUITY FOCUSED TOTAL RETURN TRUST
(COLLECTIVELY, THE TERMINATING FUNDS)

AND

ACUITY CANADIAN SMALL CAP FUND
ACUITY GROWTH & INCOME FUND
(COLLECTIVELY THE CONTINUING FUNDS, AND
TOGETHER WITH THE TERMINATING FUNDS,
THE FUNDS)

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 Section 13.5(2)(b)(iii) of National Instrument 31-103 *Registration Requirements and Exemptions* (**NI 31-103**) in connection with the transfer of assets of the Terminating Funds to the Continuing Funds to implement the mergers of the Terminating Funds with the Continuing Funds(the **Mergers**) (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador, Yukon, North-West Territories, and Nunavut.

Interpretation

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

Representations

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

1. The head office of the Filers is located in Ontario. The Filers are not in default of securities legislation in any jurisdiction.

2. The Filers are corporations incorporated under the *Business Corporations Act* (Ontario) (**OBCA**).

3. Acuity Funds Ltd. (**Acuity**) is registered as an investment fund manager in Ontario.

4. Acuity is the manager of the Funds and is also the trustee of the Funds that are trusts.

5. Acuity has retained Acuity Investment Management Inc. (*AIMI*) as the portfolio manager of each of the Funds.

6. AIMI is registered as an adviser under the securities legislation of each of the jurisdictions.

7. Each Fund was incorporated or established, as applicable, under the laws of the Province of Ontario.

8. Each Terminating Fund is a "non-redeemable investment fund" as defined in the Legislation and its securities are listed on the Toronto Stock Exchange (**TSX**).

9. Each Continuing Fund is a mutual fund for the purposes of the Legislation and offers its Class A and Class F units (to be re-named MF Series Units and Series F Units) pursuant to an amended and restated simplified prospectus dated August 18, 2010, as amended.

10. The Funds are reporting issuers under the Legislation of each province and territory of Canada and are not in default of securities legislation in any jurisdiction.

11. The following Mergers on a tax-deferred basis pursuant to section 132.2 of the Tax Act are proposed:

TERMINATING FUNDS	**CONTINUING FUNDS**
Acuity Small Cap Corporation	Acuity Canadian Small Cap Fund
Acuity Growth & Income Trust	Acuity Growth & Income Fund
Acuity Focused Total Return Trust	Acuity Growth & Income Fund

12. The board of directors of Acuity Small Cap Corporation, and of Acuity as manager of Acuity Growth & Income Trust and Acuity Focused Total Return Trust, approved the calling of meetings to consider the Mergers and a press release and a material change report were issued and filed in respect of the Mergers.

13. As required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**), the independent review committee of the Funds considered the proposed Mergers and recommended the proposed Mergers as achieving a fair and reasonable for each of the Funds.

14. Meetings of securityholders of the Terminating Funds were held on May 18, 2011 (the **Meetings**) and securityholders approved the Mergers.

15. In connection with the Meetings, Acuity sent to securityholders of the Terminating Funds a notice of special meetings of securityholders and management information circular and a related form of proxy/voting instruction card (the **Meeting Materials**). The Meeting Materials disclosed sufficient information for securityholders to form a reasonable judgment concerning the Mergers including a description of how the Mergers will be implemented and the tax consequences of the Mergers.

16. It is proposed that the Mergers will occur on or about July 8, 2011 (the **Merger Effective Date**), subject to regulatory approval.

17. The Mergers will be implemented in the following manner:

    (a) The last day of trading in the securities of the Terminating Funds will be June 30, 2011, with the final settlement date being July 6, 2011.

    (b) On the Merger Effective Date, each Terminating Fund will transfer its net assets (after taking into account assets required to satisfy its liabilities) to the relevant Continuing Fund in consideration for MF Series Units at a price per unit equal to the net asset value per MF Series unit at the close of business on July 8, 2011.

    (c) Immediately thereafter, the MF Series Units of the Continuing Funds will be distributed by the relevant Terminating Funds to securityholders of the Terminating Funds.

    (d) Subsequent to completion of the Mergers, the Terminating Funds will be dissolved or terminated, as the case may be.

    (e) Acuity will issue a press release forthwith after the Mergers are completed announcing the completion of the Mergers.

18. AIMI is a "responsible person" as it is the portfolio manager of the Funds.

19. The transfer of the investment portfolio of the Terminating Funds to the Continuing Funds (and the corresponding purchase of such investment portfolio by the Continuing Funds) as a step in the Mergers may be considered a purchase or sale of securities, knowingly caused by a registered adviser of the Terminating Funds, from or to the investment portfolio of the Continuing Funds for which a "responsible person" acts as an adviser, contrary to section 13.5(2)(b)(iii) of NI 31-103.

20. In the absence of this order, AIMI would be prohibited from selling the portfolio securities of each Terminating Fund to the relevant Continuing Fund in connection with the Mergers.

21. The Terminating Funds and Continuing Funds will bear none of the costs and expenses associated with any of the Mergers and no sales charges, redemption fees or other fees or commissions will be payable by securityholders of the Terminating Funds in connection with any of the Mergers.

22. The Filers believe that the Mergers will be beneficial to securityholders as they will reduce duplication between the Funds, increase operational efficiency as costs of a Continuing Fund will be spread across a greater pool of assets, which will in turn allow for greater diversification.

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 is that the Exemption Sought is granted.

“Darren McKall”
Manager, Investment Funds Branch

2.2 Orders

2.2.1 Rezwealth Financial Services Inc. et al. – s. 127

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

AND

IN THE MATTER OF
REZWEALTH FINANCIAL SERVICES INC.,
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,
TIFFIN FINANCIAL CORPORATION, DANIEL TIFFIN,
2150129 ONTARIO INC., SYLVAN BLACKETT,
1778445 ONTARIO INC. AND WILLOUGHBY SMITH

ORDER
(Section 127)

WHEREAS on January 24, 2011, the Ontario Securities Commission (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, accompanied by a Statement of Allegations dated January 24, 2011 issued by Staff of the Commission ("Staff"), with respect to Rezwealth Financial Services Inc. ("Rezwealth"), Pamela Ramoutar ("Pamela"), Justin Ramoutar ("Justin"), Tiffin Financial Corporation ("Tiffin Financial"), Daniel Tiffin ("Tiffin"), 2150129 Ontario Inc. ("2150129"), Sylvan Blackett ("Blackett"), 1778445 Ontario Inc. ("1778445") and Willoughby Smith ("Smith") (collectively, the "Respondents");

AND WHEREAS the Commission ordered on March 16, 2011 that the hearing of this matter be adjourned to June 16, 2011 at 10:00 a.m. for a pre-hearing conference and that the Amended Temporary Order in this matter be extended to the conclusion of the hearing on the merits;

AND WHEREAS the Commission held a pre-hearing conference on June 16, 2011 to consider preliminary matters;

AND WHEREAS the Commission heard submissions from counsel for Staff, counsel for Rezwealth, Pamela and Justin, and counsel for Tiffin and Tiffin Financial;

AND WHEREAS no one appeared at the pre-hearing conference on behalf of 2150129, Blackett, 1778445 or Smith, and Staff provided an Affidavit of Service sworn June 7, 2011 which stated that service had been made on these respondents;

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

IT IS ORDERED that the hearing of this matter is adjourned to Tuesday, August 16, 2011 at 2:30 p.m. for a continued pre-hearing conference.

Dated at Toronto this 16th day of June, 2011

"Christopher Portner"

2.2.2 CCR Technologies Ltd. – s. 144

Headnote

Section 144 – Application for revocation of cease trade order – issuer subject to cease trader as a result of failure to file financial statements – issuer has made a separate application to not be a reporting issuer in all of the jurisdictions in which it is currently a reporting issuer – full revocation granted effective as of the date the issuer is determined to not be a reporting issuer.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
CCR TECHNOLOGIES LTD.

ORDER
(Section 144 of the Act)

WHEREAS the securities of CCR Technologies Ltd. (the "**Filer**") are subject to a temporary cease trade order issued by the Director on May 12, 2010 pursuant to subsections 127(1) and 127(5) of the Act and a further cease trade order issued by the Director on May 25, 2010 pursuant to subsection 127(1) of the Act (together the "**Ontario CTO**"), directing that all trading in the securities of the Filer cease until further order by the Director;

AND WHEREAS the Filer has applied to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 144 of the Act (the "Application") for a full revocation of the Ontario CTO.

AND WHEREAS the Filer has represented to the Commission that:

1. The Filer was created by way of amalgamation under the *Business Corporations Act* (Alberta) on May 10, 1995 and is a valid and subsisting corporation under the laws of the Province of Alberta

2. The Filer's head offices are located in Calgary, Alberta and Houston, Texas.

3. The Filer is a reporting issuer in the provinces of Alberta, Ontario and Nova Scotia (the "**Jurisdictions**").

4. The authorized share capital of the Filer consists of an unlimited number of Class B common voting shares (the "**Class B Shares**") of which 100 Class B Shares are issued and outstanding as of the date hereof.

5. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in total in Canada.

6. The former common shares of the Filer (the "**Filer Common Shares**") were delisted from trading on the Canadian National Stock Exchange in May of 2009 and, accordingly, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

7. The Filer is not in default of any of its obligations as a reporting issuer as of the date hereof, other than the obligation to file: (a) its annual audited financial statements, management's discussion and analysis and certification of annual filings for the years ended December 31, 2009 and December 31, 2010 (the "**Annual Filings**"); (b) interim unaudited financial statements, interim management's discussion and analysis and certification of interim filings for the interim periods ended March 31, 2010, June 30, 2010, September 30, 2010, and March 31, 2011; and (c) the applicable form and associated filing fees under Rule 13-502 Fees in respect of its years ended December 31, 2009 and December 31, 2010.

8. The Ontario CTO was issued due to the failure of the Filer to file its Annual Filings.

9. The Filer is also subject to cease trade orders (the "**Other CTOs**") in British Columbia and Alberta for its failure to file required filings under applicable securities laws. The Filer has applied for and expects to be granted concurrently with this Application, full revocations of the Other CTOs (the "**Other Full Revocation Orders**").

10. The Filer has applied for and expects to be granted concurrently with this Application and the Other Full Revocation Orders, a decision that the Filer has ceased to be a reporting issuer in each of the Jurisdictions other than British Columbia where the Filer has voluntarily surrendered its reporting issuer status under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*.

11. On December 1, 2010 the Filer filed with the Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (the "**Court**") a proposal (Superintendent Estate No. 25-1437919, Court File No. 25-1437919) (the "**Proposal**"), pursuant to the provisions of Part III Division I of the *Bankruptcy and Insolvency Act*, to restructure and reorganize the financial affairs of the Filer, to compromise the claims of the Unsecured Creditors, restructure the share capital of the Filer,

and thereby obtain the continued support of D.R.S. Resource Investments Inc. and Dox Investments Inc. (collectively, the "**Sponsors**") to allow it to avoid being placed in receivership and to allow it to conduct a restructuring of its operations on a going concern basis. The Proposal named Hardie & Kelly Inc. as trustee under the Proposal (the "**Trustee**").

12. The Proposal was approved pursuant to a Court Order issued by the Court on January 13, 2011.

13. On February 11, 2011, in accordance with the Proposal, the Filer received a partial revocation order (the "**Partial Revocation Order**") from the Alberta Securities Commission in respect of the following trades: (a) the designation of all Filer Common Shares as two hundred (200) retractable Class B Shares; (b) the issuance of one hundred (100) Class B Shares to the two (2) Sponsors or their nominees as partial consideration for funding the Proposal; (c) the retraction and cancellation of all Filer Common Shares for no consideration; and (d) the cancellation without compensation of all options, warrants and other rights to acquire Filer Common Shares.

14. The Filer has satisfied every condition of the Partial Revocation Order.

15. On March 1, 2010, in accordance with the Proposal, the Filer filed articles of reorganization to create a new class of common shares designated as Class B Shares and re-designate all previously existing Filer Common Shares as redeemable shares.

16. Effective March 1, 2011, all previously existing Filer Common Shares were re-designated as redeemable shares and were redeemed and cancelled, without further act required, and all related options, warrants and other rights to acquire previously existing Filer Common Shares were cancelled. No payments will be made to shareholders or holder of associated rights.

17. In accordance with the Proposal, one hundred (100) Class B Shares were issued to the two Sponsors or their nominee as partial consideration for funding the Proposal. As a result of the implementation of the Proposal, the two (2) Sponsors or their nominee acquired one hundred percent (100%) ownership and control of the Filer and all of its consolidated operations. Accordingly, no securities of the Filer are traded on a market place as defined in National Instrument 21-101 *Market Place Operation*.

18. On January 13, 2011, the Trustee confirmed that the Proposal had been fully performed and the Proposal was completed as of March 1, 2011.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO is revoked.

DATED June 14, 2011.

"Naizam Kanji"
Deputy Director, Corporate Finance Branch

2.2.3 Northeastern Hotel Group Inc. – s. 144

Application by an issuer for a revocation of a cease trade order issued by the Commission – cease trade order issued because the issuer had failed to file certain continuous disclosure materials required by Ontario securities law – defaults subsequently remedied by bringing continuous disclosure filings up-to-date – cease trade order revoked.

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
NORTHEASTERN HOTEL GROUP INC.

ORDER
(Section 144)

WHEREAS the securities of Northeastern Hotel Group Inc. (the **Applicant)** are currently subject to a cease trade order dated August 20, 2003 made by the Director pursuant to paragraph 2 of subsection 127 (1) and subsection 127(5) of the Act, and a further cease trade order made by the Director dated August 29, 2003 pursuant to subsection 127(8) of the Act (collectively, the **Cease Trade Order**) directing that trading in the securities of the Applicant cease unless revoked by a further order of revocation;

AND WHEREAS the Cease Trade Order was made on the basis that the Applicant was in default of certain filing requirements under Ontario securities law as described in the Cease Trade Order;

AND WHEREAS the Applicant has applied to the Commission for an order pursuant to Section 144 of the Act to revoke the Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated on July 7, 1989 pursuant to the Canada Business Corporations Act, R.S.C. 1985, c. C-44 (the **CBCA**).

2. The Applicant's head office is located at 220 Bay Street, Suite 500, Toronto, Ontario, M5J 2W4.

3. The Applicant's authorized share capital consists of an unlimited number of common shares. The Applicant currently has 12,295,567 common shares issued and outstanding.

4. The Applicant is a reporting issuer or the equivalent under the securities legislation of the province of Ontario. The Applicant is not a reporting issuer in any other jurisdiction in Canada.

5. The common shares of the Applicant are not listed or quoted on any exchange or market in Canada or elsewhere.

6. The Applicant was listed on the Canadian Dealing Network (now TSX Venture Exchange) when it was delisted.

7. The Cease Trade Order was issued due to the failure by the Applicant to file with the Commission audited annual financial statements for the year ended March 31, 2003, as required by the Act. The Applicant also did not file annual financial statements, interim financial statements and related MD&A for subsequent periods to date. The Applicant is also in default of the requirement to file the certifications required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**).

8. The Applicant did not file the continuous disclosure documents required by the Act, NI 51-102 and NI 52-109 due to a lack of funds to pay for the preparation and, in respect of the annual financial statements, audit of year-end financial statements.

9. The Cease Trade Order was partially revoked by an order dated September 18, 2009 in order to permit the Applicant to effect a private placement (the **Private Placement**) of a convertible debenture (the **Debenture**) to a private Ontario corporation, Cardon Equities Inc., of $70,000 after purchasing all 6,235,000 of the outstanding common shares of the Applicant held by Transpacific Resources Inc. for a nominal price. Distribution of the Debenture was effected under the accredited investor exemption in section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions*.

10. A special meeting of shareholders of the Applicant was held on June 18, 2009. The Applicant has not held an annual shareholders meeting since that date and is in default of the annual meeting requirements under the CBCA.

11. The Applicant has used the proceeds from the Private Placement to complete to bring its continuous disclosure record up to date.

12. The Applicant has filed:

    (a) audited annual financial statements, annual MD&A and annual certificates for the fiscal years ended March 31, 2008, March 31, 2009, and March 31, 2010;

(b) unaudited interim financial statements (which include the comparatives from the prior fiscal year), interim MD&A and interim certificates for the three months ended June 30, 2010, the six months ended September 30, 2010, and the nine months ended December 31, 2010.

13. The Applicant has not filed continuous disclosure documents, including without limitation, annual financial statements, annual MD&A, annual certificates for the years ended March 31, 2003 to 2007 (collectively, the **Annual Continuous Disclosure Filings**). The Applicant has been inactive during this period and is of the opinion that the filings would therefore be of limited use to investors.

14. The Applicant has not filed interim financial statements, interim MD&A, and interim certificates for the periods from and including the three months ended June 30, 2003 to December 31, 2009 (the Interim Continuous Disclosure Filings).

15. Except for the failure to file the Annual Continuous Disclosure Filings and the Interim Continuous Disclosure Filings, the Applicant is not in default of any of its obligations as a reporting issuer under the Act.

16. The Filer is up-to-date with all of its other continuous disclosure obligations and has paid any outstanding participation fees, filing fees and late fees associated with those obligations owing to the Commission in connection with the disclosure documents referred to in paragraph 12 above and has filed all of the forms associated with such payments.

17. The Applicant's SEDAR and SEDI profiles are up-to-date.

18. The Applicant has undertaken to hold an annual meeting of shareholders within three months after the date of this order.

19. The Filer has not changed its business since the date of the Cease Trade Order.

20. Upon the issuance of this Order, the Applicant will issue a press release announcing the revocation of the Cease Trade Order. The Applicant will concurrently file the press release and material change report on SEDAR.

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

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

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

Dated at Toronto, Ontario this 20th day of May, 2011.

"Michael Brown"
Assistant Manager

2.2.4 TSX Inc. – s. 15.1 of NI 21-101 Marketplace Operation and s. 6.1 of Rule 13-502 Fees

Headnote

Section 15.1 of National Instrument 21-101 Marketplace Operation (21-101) and section 6.1 of OSC Rule 13-502 Fees (13-502) -- exemption granted to TSX Inc. from the requirement in paragraph 3.2(1)(b) of 21-101 to file an amendment to Form 21-101F1 45 days prior to implementation of a fee change and from the requirements in Appendix C (item E(1)) and item E(2)(a)) of 13-502 to pay fees related to TSX Inc.'s exemption application.

Applicable Legislative Provision

Securities Act, R.S.O. 1990, c. S.5, as am.
National Instrument 21-101 Marketplace Operation, s. 5.1.
Rule 13-502 Fees, s. 6.1.

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

AND

IN THE MATTER OF
TSX INC.

ORDER
(Section 15.1 of National Instrument 21-101 ("NI 21-101")
and section 6.1 of Rule 13-502)

UPON the application (the "Application") of TSX Inc. (the "Applicant") to the Director for an order pursuant to section 15.1 of NI 21-101 exempting the Applicant from the requirement in paragraph 3.2(1)(b) of NI 21-101 to file an amendment to the information previously provided in Form 21-101F1 (the "Form") regarding Exhibit N (fees) 45 days before implementation of the fee change (the "45 day filing requirement");

AND UPON the Applicant filing an updated Form on May 31, 2011, describing a fee change to be implemented on July 1, 2011 (the "Fee Change");

AND UPON the application by the Applicant (the "Fee Exemption Application") to the Director for an order pursuant to section 6.1 of Rule 13-502 exempting the Applicant from the requirement to pay an activity fee of (a) $3,250 in connection with the Application in accordance with section 4.1 and item E(1) of Appendix C of Rule 13-502, and (b) $1,500 in connection with the Fee Exemption Application (Appendix C, item E(2)(a));

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

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

1. The Applicant operates the Toronto Stock Exchange and is a recognized stock exchange in Ontario with its head office in Toronto.

2. The Applicant would like to implement the Fee Change on July 1, 2011.

3. The Applicant has provided advance notice to the industry regarding the Fee Change.

4. The current multi-market trading environment requires frequent changes to the fees and fee model to remain competitive, and it has become unduly burdensome to delay 45 days before implementing fee change initiatives;

5. In the current competitive multi-market trading environment it has become unduly burdensome to delay 45 days before implementing fee change initiatives with respect to an approved new order type.

6. The policy rationale behind the 45 day filing requirement, which the Applicant understands is to provide Commission staff with an opportunity to analyze the changes and determine if any objections should be raised prior to implementation, can be met in a shorter period; and

7. Given that the notice period was created prior to multi-marketplaces becoming a reality, and in light of the current competitive environment and the limited and highly technical nature of the exemption being sought, it would be unduly onerous to pay fees in these circumstances.

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

IT IS ORDERED by the Director:

(a) pursuant to section 15.1 of NI 21-101 that the Applicant is exempted from the 45 day filing period for the Fee Change; and

(b) pursuant to section 6.1 of Rule 13-502 that the Applicant is exempted from:

(i) paying an activity fee of $3,250 in connection with the Application, and

(ii) paying an activity fee of $1,500 in connection with the Fee Exemption Application.

DATED this 17th day of June, 2011

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

2.2.5 David M. O'Brien

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

AND

IN THE MATTER OF
DAVID M. O'BRIEN

ORDER

WHEREAS on December 8, 2010, the Secretary of the Commission issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, December 20, 2010 at 10:30 a.m., or as soon thereafter as the hearing can be held;

AND WHEREAS on December 9, 2010, the Respondent was served with the Notice of Hearing and Statement of Allegations dated December 7, 2010;

AND WHEREAS the Notice of Hearing provided for the Commission to consider, among other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to s. 127 of the Act, to issue temporary orders against David M. O'Brien ("O'Brien"), as follows:

(a) O'Brien shall cease trading in any securities for a prescribed period or until the conclusion of the hearing on the merits in this matter;

(b) O'Brien is prohibited from acquiring securities for a prescribed period or until the conclusion of the hearing on the merits in this matter; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien for a prescribed period or until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on December 20, 2010, Staff of the Commission and O'Brien appeared before the Commission and made submissions and O'Brien advised the Commission that he was opposed to Staff's request that temporary orders be issued against him and that he wished to cross-examine Lori Toledano, a member of Staff, on her affidavit;

AND WHEREAS on December 20, 2010, the hearing with respect to the issuance of the temporary orders was adjourned until December 23, 2010 at 12:30 p.m.;

AND WHEREAS on December 23, 2010, a hearing with respect to the issuance of the temporary orders was held and the panel of the Commission considered the affidavit of Toledano, the cross-examination of Toledano and the submissions made by Staff and O'Brien;

AND WHEREAS on December 23, 2010, the Commission issued a temporary cease trade order pursuant to s. 127 of the Act ordering that:

(a) O'Brien shall cease trading in any securities;

(b) O'Brien is prohibited from acquiring any securities; and

(c) Any exemptions contained in Ontario securities law do not apply to O'Brien;

(the "Temporary Cease Trade Order");

AND WHEREAS on December 23, 2010, the Commission ordered that the Temporary Cease Trade Order shall expire on April 1, 2011;

AND WHEREAS on December 23, 2010, the Commission ordered that Staff and O'Brien shall consult with the Secretary's Office and schedule a confidential pre-hearing conference for this matter;

AND WHEREAS a confidential pre-hearing conference was scheduled for February 24, 2011;

AND WHEREAS at the confidential pre-hearing conference on February 24, 2011, Staff of the Commission and O'Brien appeared and made submissions regarding the disclosure made by Staff, and Staff requested an extension of the Temporary Cease Trade Order;

AND WHEREAS on February 24, 2011, the Commission ordered that:

a) a hearing to extend the Temporary Cease Trade Order shall take place on March 30, 2011 at 11:30 a.m.;

b) a motion regarding disclosure shall take place on April 21, 2011 at 10:00 a.m., and in accordance with Rule 3.2 of the *Rules of Procedure* of the Ontario Securities Commission, O'Brien shall serve and file a motion record, including any affidavits to be relied upon, by April 11, 2011 at 4:30 p.m.; and

c) a further confidential pre-hearing conference shall take place on May 30, 2011 at 10:00 a.m;

AND WHEREAS on March 30, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on March 30, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended to April 26, 2011; and

b) a further hearing to extend the Temporary Cease Trade Order shall take place on April 21, 2011 at 10:00 a.m.;

AND WHEREAS on April 21, 2011, a hearing with respect to the extension of the Temporary Cease Trade Order was held, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that:

a) the Temporary Cease Trade Order shall be extended until the conclusion of the hearing of the merits of this matter; and

b) O'Brien may, if he wishes to do so, apply to the Commission for an order revoking or varying this Order pursuant to s. 144 of the Act;

AND WHEREAS also on April 21, 2011, O'Brien brought a motion regarding disclosure, wherein he sought an order from the Commission requiring Staff to provide him with all additional disclosure materials without requiring him to execute a further undertaking, and the panel of the Commission considered the evidence filed and the submissions made by Staff and O'Brien;

AND WHEREAS on April 21, 2011, the Commission ordered that Staff shall provide further disclosure materials to O'Brien without requiring the signing by him of an undertaking as to the confidentiality of that disclosure. The Commission further Ordered that:

1) All disclosure materials provided to Mr. O'Brien are confidential and may be used by him only for the purpose of making full answer and defence in this proceeding. The use of disclosure materials for any other purpose is strictly prohibited. All disclosure materials provided to Mr. O'Brien are subject to the strict confidentiality restrictions imposed by section 16 of the Act;

2) Mr. O'Brien is also subject to the implied undertaking that all disclosure materials provided to him are subject to the restrictions on use referred to in paragraph (1);

3) The Previous Undertaking signed by Mr. O'Brien is binding upon him and applies by its terms to all of the disclosure materials provided by Staff to Mr. O'Brien, including all disclosure materials provided by Staff to Mr. O'Brien in the future; if Mr. O'Brien wishes to challenge the validity of the Previous Undertaking he is entitled to bring a motion before the Commission to do so;

4) If Mr. O'Brien wishes to use the disclosure materials provided by Staff to him for any purpose other than as provided in paragraph (1), he must make an application to the Commission under section 17 of the Act for an order of the Commission consenting to that use;

AND WHEREAS at the confidential pre-hearing conference on May 30, 2011, Staff of the Commission and O'Brien appeared and Staff sought to set dates for a hearing on the merits, while O'Brien submitted to the Commission that he was unable to set hearing dates at that time. The Commission adjourned the hearing to June 20, 2011 at 10:00 a.m., for the purpose of setting the dates for the hearing on the merits;

AND WHEREAS at the confidential pre-hearing conference on June 20, 2011, Staff of the Commission and O'Brien appeared before the Commission and submissions were made by both parties regarding the scheduling 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;

IT IS HEREBY ORDERED THAT:

1. the hearing on the merits is to commence on March 12, 2012 at 10:00 a.m. at the offices of the Commission, 20 Queen St. West, 17th floor, Toronto, and shall continue on March 14, 15, 16, 19, 20, 21, 22, 23, 26, and 28, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and

2. a further confidential pre-hearing conference shall take place on January 11, 2012 at 10:00 a.m., or on such other date as may be agreed upon by the parties and fixed by the Office of the Secretary, at the offices of the Commission, 20 Queen St. West, 17th floor, Toronto.

DATED at Toronto this 20th day of June, 2011.

"Mary G. Condon"

2.2.6 Energy Syndications 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
ENERGY SYNDICATIONS INC.,
GREEN SYNDICATIONS INC.,
SYNDICATIONS CANADA INC.,
LAND SYNDICATIONS INC. AND
DOUGLAS CHADDOCK**

**TEMPORARY ORDER
Sections 127(1) & 127(8)**

WHEREAS on April 1, 2011, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order (the "Temporary Order") pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following:

1. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities of Energy Syndications Inc. ("Energy"), Syndications Canada Inc. ("Syndications"), Green Syndications Inc. ("Green") and Land Syndications Inc. ("Land") shall cease;

2. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Energy, Syndications, Green and Land or their agents or employees shall cease;

3. pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Douglas Chaddock ("Chaddock") shall cease;

4. pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that the exemptions contained in Ontario securities law do not apply to Energy, Syndications, Green and Land or their agents or employees; and

5. pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that the exemptions contained in Ontario securities law do not apply to Chaddock;

AND WHEREAS the Commission ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on April 7, 2011, the Commission issued a Notice of Hearing (the "Notice of Hearing") to consider the extension of the Temporary Order, to be held on April 14, 2011 at 11:00 a.m.;

AND WHEREAS Staff of the Commission ("Staff") served the respondents with copies of the Temporary Order, the Notice of Hearing and Staff's supporting materials as evidenced by Affidavits of Service filed with the Commission;

AND WHEREAS the Commission held a hearing on April 14, 2011 and counsel for Energy, Green, Syndications and Chaddock attended the hearing;

AND WHEREAS Staff advised the Panel that it was not seeking to continue the Temporary Order as against Land;

AND WHEREAS counsel for Energy, Green, Syndications and Chaddock advised the Panel that they did not oppose the extension of the Temporary Order;

AND WHEREAS on April 14, 2011 the Commission ordered that:

1. The Temporary Order is extended until June 24, 2011, or until further order of the Commission;

2. The Temporary Order is not extended against Land; and

3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission;

AND WHEREAS on April 14, 2011 the Commission further ordered that the hearing be adjourned to June 22, 2011 at 10:00 a.m.;

AND WHEREAS the Commission held a hearing on June 22, 2011 to consider an extension of the Temporary Order;

AND WHEREAS counsel for Energy, Green, Syndications and Chaddock attended the hearing and advised the Panel that they did not oppose the extension of the Temporary Order;

AND WHEREAS the Panel considered the submissions from Staff and counsel for Energy, Green, Syndications and Chaddock and the Commission is of the opinion that it is in the public interest to make this order;

IT IS HEREBY ORDERED that:

1. The Temporary Order is extended until September 9, 2011, or until further order of the Commission;

2. The extension of the Temporary Order does not prohibit Green from engaging in the sale of goods provided that any sales agreement does not constitute an investment contract, as defined by Ontario securities law; and

3. The extension of the Temporary Order shall not affect the right of any respondent to apply to the Commission under section 144 of the Act to revoke or vary this order upon five days written notice to Staff of the Commission;

IT IS FURTHER ORDERED that the hearing of this matter is adjourned to September 8, 2011 at 11:00 a.m. or on such other date or time as provided by the Secretary's Office and agreed to by the parties.

DATED at Toronto this 22nd day of June, 2011.

"James E. A. Turner"

This page intentionally left blank

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Stephen Lorne Elias – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR THE REFUSAL OF REGISTRATION OF
STEPHEN LORNE ELIAS

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
Section 31 of the Securities Act

DECISION

1. For the reasons outlined below, my decision is to refuse the registration of Stephen Lorne Elias (Elias).

OVERVIEW

2. On April 7, 2011, Staff recommended that Elias' registration as a representative in the category of dealing representative for the exempt market dealer Frank Capital Partners Inc. (Frank) be refused. Under section 31 of the *Securities Act* (Ontario) (Act), Elias is entitled to an opportunity to be heard before a decision is made by me, as Director.

3. My decision is based on the written submissions of Michael Denyszyn, Senior Legal Counsel, Compliance and Registrant Regulation Branch of the Ontario Securities Commission (OSC) for Staff, and Elias (on his own behalf).

SUITABILITY FOR REGISTRATION GENERALLY

4. Subsection 25(1) of the Act requires any person that trades in securities to be registered in the relevant category. As set out in numerous prior decisions, a registrant is in a position to perform valuable services to the public, both in the form of direct services to individual investors and as part of the larger system that provides the public benefits of fair and efficient capital markets. A registrant also has a corresponding capacity to do material harm to individual investors and to the public at large. Determining whether an applicant should be registered is thus an important component of the work undertaken by the OSC.

5. Subsection 27(1) of the Act provides that the Director shall register the person unless it appears to the Director that the person is not suitable for registration or that the registration is otherwise objectionable. In the recent case of *Ittihad Securities Inc., Re* (2010) 33 OSCB 10458, I, as Director, stated that:

> The OSC has, over time, articulated three fundamental criteria for determining suitability for registration – integrity (which includes honesty and good faith, particularly in dealings with clients, and compliance with Ontario securities law), proficiency, and solvency. These three fundamental criteria have been codified in subsection 27(2) of the Act, which provides that in determining whether a person is suitable for registration, the Director shall consider whether the person has satisfied the requirements prescribed in the regulations relating to proficiency, solvency and integrity, and such other factors as the Director considers relevant.
>
> The determination of whether an applicant's registration may be otherwise objectionable goes beyond the three suitability criteria above. Prior OSC decisions have held that registration is "otherwise objectionable" if it is determined, with reference to the purposes of the Act, that it is not in the public interest for the person or company to be registered. For example, see *Mithras Management Ltd., Re* (1990), 13 OSCB 1600."

The issues at hand are Elias' integrity and proficiency.

SUBMISSIONS FROM STAFF RELATING TO ITS RECOMMENDATION TO REFUSE ELIAS' REGISTRATION

Summary of Staff's submissions

6. Staff submits that Elias' proposed registration should be refused on the grounds that he is unsuitable for registration due to a lack of the requisite integrity and proficiency of a securities professional. Staff further submits that Elias' proposed registration would be objectionable.

Elias as independent wealth coach and sales agent for FFI

7. Elias has never been registered. According to his initial registration submission, he began working as an "independent wealth coach" and "sales agent" for FFI First Fruits Investments Inc. (FFI), an affiliated entity of HEIR Home Equity Investment Rewards Inc. (HEIR) in October 2008. Elias proposed in his initial registration submission that he would continue to devote seven hours per week to FFI during his proposed registration with Frank. In his registration application, Elias explained that his "independent wealth coach" and "sales agent" roles involved teaching people "to think like the wealthy" and to use their existing assets "to increase their potential future [assets]". (As an aside, Elias advised me that after learning about the OSC allegations referred to in the next paragraph, he resigned from HEIR and FFI. Staff submits that it is not clear when Elias left HEIR and FFI because he has not, to date, updated his Form 33-109F4 *Registration of Individuals and Review of Permitted Individuals* (Form 4) to indicate that he has left FFI, or that he no longer proposes to work for FFI during his proposed registration. As well, Elias' current application for registration filed on the National Registration Database continues to list FFI as "Current Employment".)

8. HEIR, FFI, related entities, and principals Archibald Robinson and Eric Deschamps (Respondents) are the subject of a Statement of Allegations dated March 29, 2011 (Statement of Allegations) issued by the OSC. In the Statement of Allegations, the OSC alleges that the Respondents engaged in acts in furtherance of trades (HEIR trading) including:

   a. Advertising and promoting HEIR and various securities,

   b. Holding one-on-one sessions with investors that promoted HEIR and various securities,

   c. Holding HEIR seminars and meetings with potential investors and arranging for third party entities to attend and give presentations promoting their securities and providing promotional and other materials, including offering memoranda, to potential investors, and

   d. Employing and contracting commissioned sales agents to bring in new investors and solicit investment in securities.

   The OSC also alleges that the Respondents engaged in advising by offering their opinions on the investment merits of various specific securities by expressly or impliedly recommending and endorsing them to potential investors (HEIR advising).

Elias is not suitable for registration

9. Staff submits that in his capacity as "independent wealth coach" and "sales agent" with FFI, Elias engaged in many of the examples of HEIR trading and HEIR advising referenced in the Statement of Allegations. Each of these examples of HEIR trading and HEIR advising by Elias are explained in further detail below.

Advertising and promoting HEIR and various securities

10. Staff submits that Elias solicited memberships in HEIR. In the Statement of Allegations, the OSC alleges that HEIR offered its fee paying members access to certain investments of third parties. "HM" (a personal acquaintance of Elias) advised Staff that Elias told HM and her husband that if they were "looking at opportunities to try and invest money" they "might wish to consider some of the opportunities" offered by HEIR. HM signed up to be a member of HEIR with Elias as her designated consultant. Both HM and "AZ" (a former colleague of Elias') confirmed to Staff that they paid $5,000 plus GST to become HEIR members.

11. Staff alleges that Elias also promoted specific securities, including securities of Capital Mountain Holding Corporation (CMHC), a company currently in receivership and the subject of Securities and Exchange Commission proceedings in the Untied States alleging that the principals of CMHC operated a Ponzi scheme and committed fraud. As part of the CMHC receivership proceedings, investors in CMHC and related companies were asked to complete an investor proof of claim declaration form. The declaration asked investors to identify anyone that spoke to them about their investment, provided information about their investment, convinced them to invest, handled their investment or otherwise caused

them to make an investment. At least three investors identified Elias in response to this question – "SM", "RC" and "IF". Notwithstanding this, Elias advised me that "[M]y only relationship with CMHC has always been solely as an investor".

12. Staff also alleges that Elias advertised and promoted additional specific securities. Examples include AZ, who told Staff that "all the information" he received in respect of his investment in "S Co" came from Elias. As well, Staff alleges that Elias also referred AZ to "W Co" for the purchase of securities. Similarly, "RL" confirmed that he only spoke with Elias with respect of his investment in "C Co". Lastly, SM stated that she was told about W Co by Elias, a close relative of hers. Elias received a cheque in the amount of $2,985 in respect of SM's investment in W Co.

Holding one-on-one sessions with investors that promoted HEIR and various securities

13. In his registration application, Elias summarized his duties as an independent wealth coach at FFI as follows - met with people at their homes, learn what their dreams and goals are, show them how to consolidate any debts they may have, explain how to perform due diligence on investments and show and explain all advantages of membership with FFI (including access to members' websites, monthly newsletters, etc.). Staff has evidence from investors that confirms that Elias conducted these one-on-one sessions.

Attending HEIR seminars and meetings with potential investors and third party entities, and providing offering documents and promotional materials

14. Examples provided by Staff include:

    a. RL told Staff that Elias accompanied him to a "question and answer" presentation made by an individual on behalf of C Co at a specific location in Ottawa in May 2009,

    b. HM told Staff that Elias worked with a representative of C Co to explain certain of the investment features of a particular C Co offering to her, and indicated that Elias told her about the terms of the investment,

    c. SM told Staff that it was Elias who "walked [her] through" the particulars of her investment and provided her with documents and other marketing information relating to CMHC, and

    d. RL told Staff that he asked Elias questions about filling out the paperwork involved in investing in a C Co product.

Acting as a commissioned sales agent to bring in new investors and solicit investment in securities

15. Elias described himself as "sales agent" for FFI and SM confirmed that she considered Elias to have been acting as "agent" in respect of her purchase of CMHC securities. According to a sales ledger produced by C Co, Elias acted as consultant in respect of 17 sales of four different types of securities to multiple purchasers in amounts ranging from $7,992 to $39,296. In addition, AZ invested over $150,000 in "S Co" and, together with his wife, approximately $210,000 in W Co, all pursuant to his relationship with HEIR and Elias. As well, Staff obtained nine cheques, each worth greater than $1,000, for what appears to be commissions payable to Elias from the Respondents.

Advising by offering opinions on the merits of various specific securities by expressly or impliedly recommending or endorsing them to potential investors

16. Examples provided by Staff include AZ stated that Elias told him that S Co was "a fantastic company", and DL said that Elias told "personal stories" about the background of C Co and the successes and failures experienced by C Co prior to DL investing in C Co.

Elias' conduct required registration

17. Subsection 1(1) of the Act defines "trade" or "trading" as including not only "any sale or disposition of a security for valuable consideration" but also "**any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing**" (emphasis added by Staff). Staff submits that by advertising and promoting HEIR and various securities, by holding one-on-one sessions with investors that promoted HEIR and various securities, by attending HEIR seminars and meetings with potential investors and third parties, by providing offering documents and promotional materials, and by acting as a commissioned sales agent to bring in new investors and solicit investment in securities, Elias engaged in "trading" within the meaning of the Act.

18. Paragraph 25(1)(b) of the Act prohibited Elias from engaging in or holding himself out as engaging in the business of trading in securities unless he was a registered representative in accordance with Ontario securities law as a dealing representative of a registered dealer (and was acting on behalf of the registered dealer).

19. Guidance in respect of the "business trigger" for dealer registration can be found in section 1.3 of Company Policy 31-103 CP *Registration Requirements and Exemptions* (31-103 CP). Staff submits that Elias' traded for a business purpose based on no fewer than four of the factors set out in the CP which include:

    a. Engaging in activities similar to a registrant,

    b. Directly or indirectly carrying on the activity with repetition, regularity or continuity,

    c. Being, or expected to be, remunerated or compensated, and

    d. Directly or indirectly soliciting

20. Staff is therefore of the view that Elias engaged in the business of trading in securities and required registration, but was not registered in any capacity. In the recent case of *Re Waterview Capital Corp, and Dimitrios Neilas* (2011) 34 OSCB 5059, I, as Director, stated that "conducting registerable activity … prior to registration being granted" was a "very serious" violation of the Act.

21. As well, to the extent that Elias offered opinions on the merits of various specific securities by expressly or impliedly recommending and endorsing them to potential investors, as he did with AZ, RL and DL, Elias also engaged in the business of advising others with respect to investing in, buying or selling securities in contravention of the adviser registration requirement set out in subsection 25(3) of the Act.

Elias appears to lack the integrity and proficiency required of a securities professional

22. Staff submits that integrity encompasses not only honesty and good faith but also compliance with Ontario securities law. Staff submits that Elias engaged in a course of conduct that does not reflect the requisite integrity of a securities professional.

23. According to transcripts of an examination by Staff, AZ did not qualify as an accredited investor. SM, RL and IF confirmed to Staff that they also did not qualify as accredited investors. Staff submits that Elias acted in furtherance of the sale of prospectus-exempt securities to all four investors. In fact, RL told Staff that Elias told him that the requirement to be an accredited investor did not apply to products issued by C Co because it was an offshore entity. This is not correct. There is no offshore exemption to the prospectus requirement set out in Ontario securities law.

24. Staff also submits that Elias failed to act fairly, honestly and in good faith with his clients as required by section 2.1 of OSC Rule 31-505 *Conditions of Registration* (OSC Rule 31-505) by not disclosing to several of his investors that he received commissions or referral fees in respect of their investments.

25. Staff submits that Elias' failure to comply with the dealer and adviser registration requirements exposed clients to significant risks in dealing solely through unregistered entities, such as HEIR, S Co, C Co and CMHC. His activities on behalf of the Respondents were not regulated by the OSC and did not comply with any of the investor protection components of the Act. As well, Staff submits that Elias has not demonstrated any concern or remorse in respect of his unregistered actions of behalf of the Respondents.

26. Staff also submits that Elias appears to lack the proficiency required of a securities professional, which necessarily includes knowledge of the requirements of Ontario securities law. During the entire period of Elias' employment with FFI, dealer registration was required in Ontario for individuals in the business of trading in prospectus-exempt securities. As well, Staff submits that Elias' failure to update his Form 4 for his claimed resignation from FFI also demonstrates that he still lacks the requisite proficiency of a securities professional.

27. As a result, Staff's position is that the foregoing establishes that Elias lacks the integrity and proficiency required of a securities professional and he is therefore unsuitable for registration.

Elias' registration is objectionable

28. The Director has the clear power under the Act to determine that it would be objectionable to approve a registration application on broader public interest grounds, regardless of the determination as to suitability. Staff submits that the proposed registration of Elias would be objectionable on public interest grounds.

29. Elias initially proposed to continue to act on behalf of FFI, one of the Respondents, while registered with Frank. The OSC has made serious allegations that FFI, as well as the other Respondents, has violated Ontario securities law and acted contrary to the public interest. As a result of these allegations, Staff is of the view that Elias' unregistered conduct with an entity against which the OSC has filed a Statement of Allegations would make Elias' proposed registration

objectionable. As well, as set out in Staff's submissions in this decision, Elias carried our many of the same activities as it is alleged that the Respondents did in the Statement of Allegations.

Refusal of registration or terms and conditions

30. Depending on the degree to which an applicant for registration has failed to satisfy one or more of the criteria for registration, Staff will often recommend that registration be subject to terms and conditions tailored to the suitability concerns that are specific to the individual applicant. Less often, Staff will recommend that registration be denied altogether because of the extent or persistence of an applicant's failure to satisfy the suitability criteria. In Jaynes, Re (2000), 23 OSCB 1543, the Commission stated that "[w]hile terms and conditions restricting registration may be appropriate in a wide variety of circumstances, they should not be used to "shore up" a fundamentally objectionable registration".

31. Staff submits that Elias' registration would be fundamentally objectionable and that it cannot be shored up by terms and conditions.

ELIAS' SUBMISSIONS

Summary of Elias' submissions

32. Elias submits that he has always acted in the best interests of his clients (comprised primarily of his family and friends). He submits that he has "always acted with integrity, following the rules as I knew them to be. Any regulations that weren't followed were due to a lack of knowledge, not lack of integrity".

Being a HEIR consultant does not show a lack of integrity

33. Elias submits that being an HEIR consultant and FFI agent does not, in and of itself, demonstrate that he lacks the integrity required of a registrant. He points out that another person on the HEIR consultant list, "CO", is now registered in his home province of Alberta, and also in Saskatchewan and British Columbia. Similarly, "SK", is now registered in his home province of Saskatchewan and also in Alberta and British Columbia. Elias also advises that approximately 10 other HEIR consultants are also now registered in other Canadian provinces. Elias submits that these jurisdictions also have registration requirements for integrity, similar to the requirements in the Act. From this, he concludes that a reasonable conclusion is that being an HEIR consultant and FFI agent does not show a lack of integrity.

HEIR is not a private investment club

34. Elias also submits that HEIR is an education club, not a private investment club and thus any allegations concerning promoting and selling HEIR memberships is irrelevant concerning securities. He states that to his knowledge, no one has ever given HEIR monies to invest for them. He submits that he paid his HEIR membership fees for education which included being introduced to companies that he didn't know existed and learning from them how they make their money. He also submits that the third party investments that Staff alleges are available to HEIR's fee paying members are also available to the public and thus it is not necessary to become an HEIR member to invest in these companies.

35. Elias submits that he has also taken courses and coaching from other entities, and that "HEIR is by far the least expensive and the most encompassing educational company". He provided a list of topics discussed at HEIR "Wealth Building Club" meetings including – how to become a successful investor, re-engineering retirement, understanding the exempt market, etc.

Elias' conduct does not constitute trading

36. Elias also made submissions about Staff's position that his conduct described above constituted trading within the meaning of the Act. Elias argues that discussions of investments with friends and family – both prior to and after he became a HEIR member - does not constitute trading.

37. Elias also takes issue with Staff's submission that he promoted CMHC. However, in his submission, it is clear that he (or his wife) told SM and IF about this opportunity. In fact, he states that IF "asked if they could visit and ask us questions about our investment in CMHC. I was happy to explain …". He also states that he was surprised that SM, IF, and RC invested in CMHC because he was under the impression the opportunity was closed. He also states that "[a]ny information I imparted to them about CMHC was from personal experience in the setting of talking to friends and family about our investments. This cannot possibly be interpreted as "selling" or "promoting"." He also states that RC wanted to sell something and SM wanted to buy it. "I introduced them to each other. In no way can this be interpreted as selling or promoting. He concludes by stating that "the evidence is clear that I did not sell or promote CMHC securities".

38. Elias acknowledges that he referred "people" to W Co by inviting them to hear W Co speakers. He received referral fees for these referrals. He also acknowledges that he referred "people" to S Co by inviting them to watch a webinar, but that he did not receive a referral fee for these referrals. He submits that referring people to companies and receiving a fee for it is "perfectly acceptable" and that he did not sell or promote W Co or S Co. Lastly, he draws a distinction between referring friends and family to companies (which themselves had several products) versus referrals to specific products.

39. With respect to C Co, Elias submits that since C Co was "presented as a real estate opportunity… the investor was purchasing land [,and] the Securities rules did not apply". Elias disputes Staff's accounting of the interviews with RL, DL and HM. He does, however, acknowledge that "it is possible I made statements and told stories regarding [C Co] that I would not have, had the opportunities been classified as a security. At the time of all these incidents, they were classified as real estate". He further submits that his actions with respect to C Co do not demonstrate a lack of integrity. However, he submits that one could make a weak argument that his actions show a lack of proficiency "in that I didn't recognize the [C Co] investments were a security".

Elias' proficiency

40. With respect to proficiency, Elias acknowledges that some of his actions showed a lack of proficiency. He admits to not being "proficient at that time". However, he submits that his lack of previous proficiency is not relevant because he was not applying for registration at that time. He also advised that he has successfully completed the course for exempt market dealer representatives in February 2010.

Elias' integrity

41. Elias submits that there is nothing he has done to indicate a lack of integrity. He submits that he "followed the rules as I knew them to be. When I discovered the OSC allegations against HEIR and FFI, I resigned". He also submits that the "testimony of some of my clients indicates that I did not always make a clear enough distinction between HEIR as an education company and the fact the opportunities were offered by third parties".

42. He submits that the *Mithras* test does not apply here and I, as Director, should not be punishing past conduct. He submits that the evidence shows that he always followed the rules as he knew them to be and that he has always acted in what he thought was the best interests of his clients.

REASONS

43. My decision is that Elias's registration should be refused because he does not have the requisite integrity or proficiency of a securities professional. I also agree with Staff that Elias' proposed registration would be objectionable.

Elias lacks the requisite integrity and proficiency

44. I agree with Staff's submissions that Elias engaged in numerous acts of trading as defined in the Act and as described elsewhere in decision, including meeting with IF to discuss CMHC, discussing the CMHC investment with SM, facilitating the transfer of CMHC securities from RC to SM, inviting AZ to go on a W Co bus tour, offering to come to HM's house to discuss investment opportunities, and discussing investment opportunities with HM. Since Elias was engaged in acts of trading, he should have been appropriately registered under the Act but he was not. In my view, these previous acts of illegal trading can clearly be relied on in assessing Elias' current registration application.

45. Elias submits that, during his employment with FFI, he "certainly was not aware" that acts in furtherance of trades constituted trading within the meaning of the Act. Ignorance of the law is not an acceptable excuse for non-compliance (i.e. not registering) under the Act. As well, I do not agree with Elias' submissions that his discussions of investments with friends and family does not constitute trading. In my view, this activity clearly meets the definition of trading in the Act.

46. Elias also distinguishes between trading activity and "referring people to companies and receiving a fee for it". I do not agree. As above, it is my opinion that Elias' activities clearly met the definition of trading in the Act. I concur with Staff's submission that Elias failed to act fairly, honestly and in good faith with his clients as required by section 2.1 of OSC Rule 31-505 by not disclosing to several of his investors that he received commissions or referral fees in respect of their investments.

47. I also concur with Staff's submission that Elias lacks the proficiency required of a securities professional, which includes knowledge of the requirements of Ontario securities law. The requirement for Elias to be registered in Ontario for carrying out the types of trading activities he carried out has existed in Ontario for approximately 25 years.

48. I also find that Elias engaged in the business of advising others in contravention of the adviser registration requirement set out in subsection 25(3) of the Act by offering opinions on the merits of various specific securities by expressly or impliedly recommending them and endorsing them to others, as he did with AZ, RL and DL.

49. As a result of this illegal trading and advising activity, I find that Elias lacks the requisite integrity and proficiency of a securities professional.

Elias' proposed registration would be objectionable

50. I agree with Staff's submission that Elias was involved in trades with at least four clients – SM, RL, DL and AZ – that did not qualify as "accredited investors". Securities issued by W Co, S Co, C Co and CMHC were not accompanied by a prospectus and a prospectus exemption was required to effect these trades. Elias submits "[t]hat is probably true" and that "[i]t is clear I acted as a referral agent". I concur with Staff's submission that it does not matter if Elias' clients were "happy with [the] investment in [S Co]" or that they "wanted to be involved in the [CMHC] opportunity". Elias' involvement in these illegal distributions renders his proposed registration objectionable.

51. Prior OSC decisions have held that registration is "otherwise objectionable" if it is determined, with reference to the purposes of the Act, that it is not in the public interest for the person or company to be registered. As per the test set out in *Mithras*, in my view Elias unregistered trading in the past leads me to conclude that his conduct in the future (i.e. his possible registration) may be detrimental to the integrity of the capital markets. As a result, I concluded that it is not in the public interest to register Elias.

52. Lastly, as a result of my finding that Elias' proposed registration is objectionable, I concur with Staff's submissions that the use of proposed terms and conditions in this case would be shoring up a fundamentally objectionable registration.

"Marrianne Bridge", FCA
Deputy Director
Compliance and Registrant Regulation Branch
Ontario Securities Commission

June 22, 2011

3.1.2 First Canadian Property Investments Ltd. – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR TERMS AND CONDITIONS
ON THE REGISTRATION OF
FIRST CANADIAN PROPERTY INVESTMENTS LTD.

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
Section 31 of the Securities Act (Ontario)

Decision

1. For the reasons outlined below, my decision is to impose part one of the terms and conditions set out below on First Canadian Property Investments Ltd. (First Canadian) for a minimum period of six months.

Overview

2. By letter dated May 4, 2011, Staff of the Ontario Securities Commission advised First Canadian that it was recommending to the Director that terms and conditions be imposed on First Canadian in relation to the late filing of its annual audited financial statements. The terms and conditions had two parts. Part one required the filing of monthly year-to-date unaudited financial statements and capital calculations for a minimum period of six months. Part two required First Canadian to review its procedures for compliance with Ontario securities law and to file a report with the Commission. The letter also advised First Canadian that the maximum late filing fees of $5,000 were due. The late filing fees have not been paid by First Canadian.

Process for requesting an opportunity to be heard

3. Under section 31 of the *Securities Act* (Ontario) (Act), if a registrant wants to oppose Staff's recommendation for terms and conditions, the registrant may request an opportunity to be heard (OTBH). By letter dated May 9, 2011, J. Paul Robinson, President of First Canadian requested an OTBH. My decision is based on the submissions of Staff counsel (Mark Skuce, Legal Counsel, Compliance and Registrant Regulation Branch) and the submissions of Gordon Walker and J. Paul Robinson of First Canadian.

Submissions

4. First Canadian was initially registered under the Act as a limited market dealer. With the coming into force of National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103), First Canadian became registered as an exempt market dealer.

5. The facts in this case are not in dispute. The fiscal year end of First Canadian is September 30, 2010. Under paragraph 12.12(1)(a) of NI 31-103, the annual audited financial statements of First Canadian were due no later than December 29, 2010. First Canadian filed its annual audited financial statements on March 28, 2011, 59 business days after they were due.

6. Subsection 28(a) of the Act provides that the Director may impose terms and conditions on the registration of a company if it appears to the Director that the company is not suitable for registration or has failed to comply with Ontario securities law. Subsection 27(2) of the Act enumerates the factors that the Director shall consider in determining whether a company is suitable for registration, which includes prescribed requirements relating to proficiency, solvency and integrity. Staff argues that the imposition of terms and conditions is appropriate because First Canadian's late filing of its annual audited financial statements may raise a serious potential concern regarding the firm's solvency.

7. I was provided with a copy of a letter from First Canadian's auditors regarding the late filing of First Canadian's financial statements. The letter advised that normally the auditors meet with First Canadian's management in late December and "release the audited financial statements shortly thereafter, in time for the Company to meet its reporting deadlines". However, the auditor points to "family health matters" in December and January as the reason for losing track of the First Canadian audit. The letter goes on to say that "I'm also surprised by the fact that that I wasn't contacted by First Canadian's owners to follow up on the delay in releasing the audited financial statements".

8. Staff referred me to a number of previous OTBH decisions which dealt with the late filing of annual audited financial statements including *Re Rampart Investment Management Company* (2003) 26 OSCB 7509, *Re Chou Associates Management Inc.* (2006) 29 OSCB 4773, *Re AIG Global Investment Corp. (Canada)* (2008) 31 OSCB 4639, *Re CR Advisers Corporation* (2008) 31 OSCB 6269, *Re Counsel Portfolio Services Inc.* (2010) 33 OSBC 5316, and *Re*

Minvestec Capital Corp. (2011) 34 OSCB 5475. From these cases, Staff submits the following principles have been established:

a. timely filing of annual audited financial statements by registrants is one of the most serious regulatory obligations in the Act,

b. the timely filing of annual audited financial statements is the obligation of the registrant alone,

c. Staff uniformly recommends the imposition of terms and conditions on the registration of a registrant that does not file its annual audited financial statements on a timely basis,

d. only in extremely rare circumstances would Staff not recommend imposing terms and conditions on a registrant that filed its financial statements late, and

e. the information needed to prepare the monthly filings proposed by Staff should be readily available to registrants on a monthly basis at minimal cost.

9. I was also advised that First Canadian has maintained a relatively clean regulatory history over the approximately 20 years it has been registered. The only previous issue was the late renewal of First Canadian's registration in 2004. First Canadian advised me that the late filing was due, in part, to the death of one of the registrant's key personnel.

10. First Canadian advised me that they expected this decision to include the Staff recommended terms and conditions and a requirement to pay the late fees. First Canadian acknowledged its obligation to file annual audited financial statements on a timely basis and that it was responsible for the late filing of its annual audited financial statements. First Canadian also made the following submissions:

a. Staff appears to have a "zero tolerance" for late filing of annual audited financial statements in that terms and conditions are imposed regardless of how late the registrant is in filing its financial statements.

b. Unlike as set out in some of the previous OTBH decisions, Staff did not notify First Canadian soon after the due date for the annual audited financial statements that the statements were late.

c. A "one size" fits all approach does not work – i.e. they questioned an approach that resulted in large registrants and small registrants all being subject to the same late fees for late filing of annual audited financial statements. They also questioned a one size fits all approach that did not differentiate based on a registrant's prior regulatory history.

d. They also thought that there was a "disconnect" between the filing of annual audited financial statements and the solvency of the registrant. They submitted that, particularly in their case, there was no risk to the public resulting from the late filing of their annual audited financial statements because the firm does not hold client assets.

e. Lastly, they advised that in their view, the late filing fees were not a deterrent, but a penalty or punishment for late filing of their financial statements.

Decision and reasons

11. My decision is to impose part 1 of the terms and conditions recommended by Staff on the registration of First Canadian for a minimum period of six months starting June 30, 2011. I was satisfied based on First Canadian's submissions at the OTBH that they understand the importance of ensuring that the firm complies with the requirements of Ontario securities law. As well, given the firm's relatively clean regulatory history, it is clear to me that the firm generally understands its compliance obligations.

12. Staff does have, absent rare and extenuating circumstances, a zero tolerance for the late filing of annual audited financial statements by registrants. This is because financial statements are the principal tool enabling Staff to monitor a registrant's financial viability and capital position (and thus its solvency). The timely filing of annual audited financial statements is the obligation of the registrant and the registrant alone. It is not Staff's responsibility to remind registrants of any filing obligation.

13. I concur with Staff's submissions on the principles established by the various decisions cited above. In my view, the rare and extenuating circumstances that would lead me to conclude that terms and conditions should not be imposed are not present in this case. The registrant clearly acknowledged that they understood their regulatory responsibilities and took responsibility for the late filing of their annual audited financial statements.

14. I was also asked to waive the late filing fees. My decision is that the late filing fees will not be waived. As set out above, First Canadian did not file its annual audited financial statements on a timely basis, nor was First Canadian aware that it did not file its financial statements on a timely basis until so advised by Staff. See *Re Rampart Investment Management Company* (2003) 26 OSCB 7509, which set out the following on the issue of late filing fees:

> "The penalty for late filings was intended to reflect the importance that is placed on the obligation that each registrant has to make timely filings and in furthering that notion, to provide registrants with the appropriate incentive to ensure that proper attention is given to the matter and that the registrant does not fail to meet its filing obligations whether deliberately or through inadvertence. Granting an exemption in situations where the failure was not deliberate would remove any incentive for registrants to assume responsibility for meeting their obligations."

15. The terms and conditions imposed on First Canadian's registration are as follows:

The Firm shall file on a monthly basis with the Registrant Conduct and Risk Analysis team of the Ontario Securities Commission, attention Financial Analyst, starting with the month ending June 30, 2011 the following information:

(a) year-to-date unaudited financial statements including a balance sheet and an income statement, both prepared in accordance with generally accepted accounting principles; and

(b) month end calculation of minimum required capital;

no later than three weeks after each month end.

"Marrianne Bridge" FCA
Deputy Director
Compliance and Registrant Regulation Branch
Ontario Securities Commission

June 22, 2011

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
Canada Lithium Corp.	10 May 11	20 May 11	20 May 11	24 June 11	

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
Canada Lithium Corp.	10 May 11	20 May 11	20 May 11	24 June 11	

This page intentionally left blank

Chapter 5

Rules and Policies

5.1.1 NI 43-101 Standards of Disclosure for Mineral Projects, Form 43-101F1 Technical Report and Related Consequential Amendments

NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

Table of Contents

NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

PART 1 DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Instrument

"acceptable foreign code" means the JORC Code, the PERC Code, the SAMREC Code, SEC Industry Guide 7, the Certification Code, or any other code, generally accepted in a foreign jurisdiction, that defines mineral resources and mineral reserves in a manner that is consistent with mineral resource and mineral reserve definitions and categories set out in sections 1.2 and 1.3;

"adjacent property" means a property

(a) in which the issuer does not have an interest;

(b) that has a boundary reasonably proximate to the property being reported on; and

(c) that has geological characteristics similar to those of the property being reported on;

"advanced property" means a property that has

(a) mineral reserves, or

(b) mineral resources the potential economic viability of which is supported by a preliminary economic assessment, a pre-feasibility study or a feasibility study;

"Certification Code" means the Certification Code for Exploration Prospects, Mineral Resources and Ore Reserves prepared by the Mineral Resources Committee of the Institution of Mining Engineers of Chile, as amended;

"data verification" means the process of confirming that data has been generated with proper procedures, has been accurately transcribed from the original source and is suitable to be used;

"disclosure" means any oral statement or written disclosure made by or on behalf of an issuer and intended to be, or reasonably likely to be, made available to the public in a jurisdiction of Canada, whether or not filed under securities legislation, but does not include written disclosure that is made available to the public only by reason of having been filed with a government or agency of government pursuant to a requirement of law other than securities legislation;

"early stage exploration property" means a property for which the technical report being filed has

(a) no current mineral resources or mineral reserves defined; and

(b) no drilling or trenching proposed;

"effective date" means, with reference to a technical report, the date of the most recent scientific or technical information included in the technical report;

"exploration information" means geological, geophysical, geochemical, sampling, drilling, trenching, analytical testing, assaying, mineralogical, metallurgical, and other similar information concerning a particular property that is derived from activities undertaken to locate, investigate, define, or delineate a mineral prospect or mineral deposit;

"historical estimate" means an estimate of the quantity, grade, or metal or mineral content of a deposit that an issuer has not verified as a current mineral resource or mineral reserve, and which was prepared before the issuer acquiring, or entering into an agreement to acquire, an interest in the property that contains the deposit;

"JORC Code" means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended;

"mineral project" means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals;

"PERC Code" means the Pan-European Code for Reporting of Exploration Results, Mineral Resources and Reserves prepared by the Pan-European Reserves and Resources Reporting Committee, as amended;

"preliminary economic assessment" means a study, other than a pre-feasibility or feasibility study, that includes an economic analysis of the potential viability of mineral resources;

"producing issuer" means an issuer with annual audited financial statements that disclose

(a) gross revenue, derived from mining operations, of at least $30 million Canadian for the issuer's most recently completed financial year; and

(b) gross revenue, derived from mining operations, of at least $90 million Canadian in the aggregate for the issuer's three most recently completed financial years;

"professional association" means a self-regulatory organization of engineers, geoscientists or both engineers and geoscientists that

(a) is

(i) given authority or recognition by statute in a jurisdiction of Canada, or

(ii) a foreign association that is generally accepted within the international mining community as a reputable professional association;

(b) admits individuals on the basis of their academic qualifications, experience, and ethical fitness;

(c) requires compliance with the professional standards of competence and ethics established by the organization;

(d) requires or encourages continuing professional development; and

(e) has and applies disciplinary powers, including the power to suspend or expel a member regardless of where the member practises or resides;

"qualified person" means an individual who

(a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining;

(b) has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice;

(c) has experience relevant to the subject matter of the mineral project and the technical report;

(d) is in good standing with a professional association; and

(e) in the case of a professional association in a foreign jurisdiction, has a membership designation that

(i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment; and

(ii) requires

A. a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or

B. a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining;

"quantity" means either tonnage or volume, depending on which term is the standard in the mining industry for the type of mineral;

"SAMREC Code" means the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves prepared by the South African Mineral Resource Committee (SAMREC) under the Joint Auspices of the Southern African Institute of Mining and Metallurgy and the Geological Society of South Africa, as amended;

"SEC Industry Guide 7" means the mining industry guide entitled "Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations" contained in the Securities Act Industry Guides published by the United States Securities and Exchange Commission, as amended;

"specified exchange" means the Australian Stock Exchange, the Johannesburg Stock Exchange, the London Stock Exchange Main Market, the Nasdaq Stock Market, the New York Stock Exchange, or the Hong Kong Stock Exchange;

"technical report" means a report prepared and filed in accordance with this Instrument and Form 43-101F1 Technical Report that includes, in summary form, all material scientific and technical information in respect of the subject property as of the effective date of the technical report; and

"written disclosure" includes any writing, picture, map, or other printed representation whether produced, stored or disseminated on paper or electronically, including websites.

Mineral Resource

1.2 In this Instrument, the terms "mineral resource", "inferred mineral resource", "indicated mineral resource" and "measured mineral resource" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

Mineral Reserve

1.3 In this Instrument, the terms "mineral reserve", "probable mineral reserve" and "proven mineral reserve" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

Mining Studies

1.4 In this Instrument, the terms "preliminary feasibility study", "pre-feasibility study" and "feasibility study" have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum, as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

Independence

1.5 In this Instrument, a qualified person is independent of an issuer if there is no circumstance that, in the opinion of a reasonable person aware of all relevant facts, could interfere with the qualified person's judgment regarding the preparation of the technical report.

PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

Requirements Applicable to All Disclosure

2.1 All disclosure of scientific or technical information made by an issuer, including disclosure of a mineral resource or mineral reserve, concerning a mineral project on a property material to the issuer must be

(a) based upon information prepared by or under the supervision of a qualified person; or

(b) approved by a qualified person.

All Disclosure of Mineral Resources or Mineral Reserves

2.2 An issuer must not disclose any information about a mineral resource or mineral reserve unless the disclosure

(a) uses only the applicable mineral resource and mineral reserve categories set out in sections 1.2 and 1.3;

(b) reports each category of mineral resources and mineral reserves separately, and states the extent, if any, to which mineral reserves are included in total mineral resources;

(c) does not add inferred mineral resources to the other categories of mineral resources; and

(d) states the grade or quality and the quantity for each category of the mineral resources and mineral reserves if the quantity of contained metal or mineral is included in the disclosure.

Restricted Disclosure

2.3 (1) An issuer must not disclose

(a) the quantity, grade, or metal or mineral content of a deposit that has not been categorized as an inferred mineral resource, an indicated mineral resource, a measured mineral resource, a probable mineral reserve, or a proven mineral reserve;

(b) the results of an economic analysis that includes or is based on inferred mineral resources or an estimate permitted under subsection 2.3(2) or section 2.4;

(c) the gross value of metal or mineral in a deposit or a sampled interval or drill intersection; or

(d) a metal or mineral equivalent grade for a multiple commodity deposit, sampled interval, or drill intersection, unless it also discloses the grade of each metal or mineral used to establish the metal or mineral equivalent grade.

(2) Despite paragraph (1)(a), an issuer may disclose in writing the potential quantity and grade, expressed as ranges, of a target for further exploration if the disclosure

(a) states with equal prominence that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource; and

(b) states the basis on which the disclosed potential quantity and grade has been determined.

(3) Despite paragraph (1)(b), an issuer may disclose the results of a preliminary economic assessment that includes or is based on inferred mineral resources if the disclosure

(a) states with equal prominence that the preliminary economic assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized;

(b) states the basis for the preliminary economic assessment and any qualifications and assumptions made by the qualified person; and

(c) describes the impact of the preliminary economic assessment on the results of any pre-feasibility or feasibility study in respect of the subject property.

(4) An issuer must not use the term preliminary feasibility study, pre-feasibility study or feasibility study when referring to a study unless the study satisfies the criteria set out in the definition of the applicable term in section 1.4.

Disclosure of Historical Estimates

2.4 Despite section 2.2, an issuer may disclose an historical estimate, using the original terminology, if the disclosure

(a) identifies the source and date of the historical estimate, including any existing technical report;

(b) comments on the relevance and reliability of the historical estimate;

(c) to the extent known, provides the key assumptions, parameters, and methods used to prepare the historical estimate;

(d) states whether the historical estimate uses categories other than the ones set out in sections 1.2 and 1.3 and, if so, includes an explanation of the differences;

(e) includes any more recent estimates or data available to the issuer;

(f) comments on what work needs to be done to upgrade or verify the historical estimate as current mineral resources or mineral reserves; and

(g) states with equal prominence that

(i) a qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves; and

(ii) the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

Written Disclosure to Include Name of Qualified Person

3.1 If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure the name and the relationship to the issuer of the qualified person who

(a) prepared or supervised the preparation of the information that forms the basis for the written disclosure; or

(b) approved the written disclosure.

Written Disclosure to Include Data Verification

3.2 If an issuer discloses in writing scientific or technical information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure

(a) a statement whether a qualified person has verified the data disclosed, including sampling, analytical, and test data underlying the information or opinions contained in the written disclosure;

(b) a description of how the data was verified and any limitations on the verification process; and

(c) an explanation of any failure to verify the data.

Requirements Applicable to Written Disclosure of Exploration Information

3.3 (1) If an issuer discloses in writing exploration information about a mineral project on a property material to the issuer, the issuer must include in the written disclosure a summary of

(a) the material results of surveys and investigations regarding the property;

(b) the interpretation of the exploration information; and

(c) the quality assurance program and quality control measures applied during the execution of the work being reported on.

(2) If an issuer discloses in writing sample, analytical or testing results on a property material to the issuer, the issuer must include in the written disclosure, with respect to the results being disclosed,

(a) the location and type of the samples;

(b) the location, azimuth, and dip of the drill holes and the depth of the sample intervals;

(c) a summary of the relevant analytical values, widths, and to the extent known, the true widths of the mineralized zone;

(d) the results of any significantly higher grade intervals within a lower grade intersection;

(e) any drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to in this subsection; and

(f) a summary description of the type of analytical or testing procedures utilized, sample size, the name and location of each analytical or testing laboratory used, and any relationship of the laboratory to the issuer.

Requirements Applicable to Written Disclosure of Mineral Resources and Mineral Reserves

3.4 If an issuer discloses in writing mineral resources or mineral reserves on a property material to the issuer, the issuer must include in the written disclosure

(a) the effective date of each estimate of mineral resources and mineral reserves;

(b) the quantity and grade or quality of each category of mineral resources and mineral reserves;

(c) the key assumptions, parameters, and methods used to estimate the mineral resources and mineral reserves;

(d) the identification of any known legal, political, environmental, or other risks that could materially affect the potential development of the mineral resources or mineral reserves; and

(e) if the disclosure includes the results of an economic analysis of mineral resources, an equally prominent statement that mineral resources that are not mineral reserves do not have demonstrated economic viability.

Exception for Written Disclosure Already Filed

3.5 Sections 3.2 and 3.3 and paragraphs (a), (c) and (d) of section 3.4 do not apply if the issuer includes in the written disclosure a reference to the title and date of a document previously filed by the issuer that complies with those requirements.

PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

Obligation to File a Technical Report Upon Becoming a Reporting Issuer

4.1 (1) Upon becoming a reporting issuer in a jurisdiction of Canada an issuer must file in that jurisdiction a technical report for each mineral property material to the issuer.

(2) Subsection (1) does not apply if the issuer is a reporting issuer in a jurisdiction of Canada and subsequently becomes a reporting issuer in another jurisdiction of Canada.

(3) Subsection (1) does not apply if

(a) the issuer previously filed a technical report for the property;

(b) at the date the issuer becomes a reporting issuer, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and

(c) the previously filed technical report meets any independence requirements under section 5.3.

Obligation to File a Technical Report in Connection with Certain Written Disclosure about Mineral Projects on Material Properties

4.2 (1) An issuer must file a technical report to support scientific or technical information that relates to a mineral project on a property material to the issuer, or in the case of paragraph (c), the resulting issuer, if the information is contained in any of the following documents filed or made available to the public in a jurisdiction of Canada:

(a) a preliminary prospectus, other than a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions*;

(b) a preliminary short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* that discloses for the first time

(i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or

(ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer;

(c) an information or proxy circular concerning a direct or indirect acquisition of a mineral property where the issuer or resulting issuer issues securities as consideration;

(d) an offering memorandum, other than an offering memorandum delivered solely to accredited investors as defined under securities legislation;

(e) for a reporting issuer, a rights offering circular;

(f) an annual information form;

(g) a valuation required to be prepared and filed under securities legislation;

(h) an offering document that complies with and is filed in accordance with Policy 4.6 - *Public Offering by Short Form Offering Document* and Exchange Form 4H - *Short Form Offering Document,* of the TSX Venture Exchange, as amended;

(i) a take-over bid circular that discloses mineral resources, mineral reserves or the results of a preliminary economic assessment on the property if securities of the offeror are being offered in exchange on the take-over bid; and

(j) any written disclosure made by or on behalf of an issuer, other than in a document described in paragraphs (a) to (i), that discloses for the first time

(i) mineral resources, mineral reserves or the results of a preliminary economic assessment on the property that constitute a material change in relation to the issuer; or

(ii) a change in mineral resources, mineral reserves or the results of a preliminary economic assessment from the most recently filed technical report if the change constitutes a material change in relation to the issuer.

(2) Subsection (1) does not apply for disclosure of an historical estimate in a document referred to in paragraph (1)(j) if the disclosure is made in accordance with subsection 2.4.

(3) If a technical report is filed under paragraph (1)(a) or (b), and new material scientific or technical information concerning the subject property becomes available before the filing of the final version of the prospectus or short form prospectus, the issuer must file an updated technical report or an addendum to the technical report with the final version of the prospectus or short form prospectus.

(4) The issuer must file the technical report referred to in subsection (1) not later than the time it files or makes available to the public the document listed in subsection (1) that the technical report supports.

(5) Despite subsection (4), an issuer must

(a) file a technical report supporting disclosure under paragraph (1)(j) not later than

(i) if the disclosure is also contained in a preliminary short form prospectus, the earlier of 45 days after the date of the disclosure and the date of filing the preliminary short form prospectus;

(ii) if the disclosure is also contained in a directors' circular, the earlier of 45 days after the date of the disclosure and 3 business days before expiry of the take-over bid; and

(iii) in all other cases, 45 days after the date of the disclosure;

(b) issue a news release at the time it files the technical report disclosing the filing of the technical report and reconciling any material differences in the mineral resources, mineral reserves or results of a preliminary economic assessment, between the technical report and the issuer's disclosure under paragraph (1)(j).

(6) Despite subsection (4), if a property referred to in an annual information form first becomes material to the issuer less than 30 days before the filing deadline for the annual information form, the issuer must file the technical report within 45 days of the date that the property first became material to the issuer.

(7) Despite subsection (4) and paragraph (5)(a), an issuer is not required to file a technical report within 45 days to support disclosure under subparagraph (1)(j)(i), if

(a) the mineral resources, mineral reserves or results of a preliminary economic assessment

(i) were prepared by or on behalf of another issuer who holds or previously held an interest in the property;

(ii) were disclosed by the other issuer in a document listed in subsection (1); and

(iii) are supported by a technical report filed by the other issuer;

(b) the issuer, in its disclosure under subparagraph (1)(j)(i),

(i) identifies the title and effective date of the previous technical report and the name of the other issuer that filed it;

(ii) names the qualified person who reviewed the technical report on behalf of the issuer; and

(iii) states with equal prominence that, to the best of the issuer's knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment inaccurate or misleading; and

(c) the issuer files a technical report supporting its disclosure of the mineral resources, mineral reserves or results of a preliminary economic assessment;

(i) if the disclosure is also contained in a preliminary short form prospectus, by the earlier of 180 days after the date of the disclosure and the date of filing the short form prospectus; and

(ii) in all other cases, within 180 days after the date of the disclosure.

(8) Subsection (1) does not apply if

(a) the issuer previously filed a technical report that supports the scientific or technical information in the document;

(b) at the date of filing the document, there is no new material scientific or technical information concerning the subject property not included in the previously filed technical report; and

(c) the previously filed technical report meets any independence requirements under section 5.3.

Required Form of Technical Report

4.3 A technical report that is required to be filed under this Part must be prepared

(a) in English or French; and

(b) in accordance with Form 43-101F1.

PART 5 AUTHOR OF TECHNICAL REPORT

Prepared by a Qualified Person

5.1 A technical report must be prepared by or under the supervision of one or more qualified persons.

Execution of Technical Report

5.2 A technical report must be dated, signed and, if the qualified person has a seal, sealed by

(a) each qualified person who is responsible for preparing or supervising the preparation of all or part of the report; or

(b) a person or company whose principal business is providing engineering or geoscientific services if each qualified person responsible for preparing or supervising the preparation of all or part of the report is an employee, officer, or director of that person or company.

Independent Technical Report

5.3 (1) A technical report required under any of the following provisions of this Instrument must be prepared by or under the supervision of one or more qualified persons that are, at the effective and filing dates of the technical report, all independent of the issuer:

(a) section 4.1;

(b) paragraphs (a) and (g) of subsection 4.2(1); or

(c) paragraphs (b), (c), (d), (e), (f), (h), (i) and (j) of subsection 4.2(1), if the document discloses

(i) for the first time mineral resources, mineral reserves or the results of a preliminary economic assessment on a property material to the issuer, or

(ii) a 100 percent or greater change in the total mineral resources or total mineral reserves on a property material to the issuer, since the issuer's most recently filed independent technical report in respect of the property.

(2) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(a) is not required to be prepared by or under the supervision of an independent qualified person if the securities of the issuer trade on a specified exchange.

(3) Despite subsection (1), a technical report required to be filed by a producing issuer under paragraph (1)(b) or (c) is not required to be prepared by or under the supervision of an independent qualified person.

(4) Despite subsection (1), a technical report required to be filed by an issuer concerning a property which is or will be the subject of a joint venture with a producing issuer is not required to be prepared by or under

the supervision of an independent qualified person, if the qualified person preparing or supervising the preparation of the report relies on scientific and technical information prepared by or under the supervision of a qualified person that is an employee or consultant of the producing issuer.

PART 6 PREPARATION OF TECHNICAL REPORT

The Technical Report

6.1 A technical report must be based on all available data relevant to the disclosure that it supports.

Current Personal Inspection

6.2 (1) Before an issuer files a technical report, the issuer must have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report.

(2) Subsection (1) does not apply to an issuer provided that

(a) the property that is the subject of the technical report is an early stage exploration property;

(b) seasonal weather conditions prevent a qualified person from accessing any part of the property or obtaining beneficial information from it; and

(c) the issuer discloses in the technical report, and in the disclosure that the technical report supports, that a personal inspection by a qualified person was not conducted, the reasons why, and the intended time frame to complete the personal inspection.

(3) If an issuer relies on subsection (2), the issuer must

(a) as soon as practical, have at least one qualified person who is responsible for preparing or supervising the preparation of all or part of the technical report complete a current inspection on the property that is the subject of the technical report; and

(b) promptly file a technical report and the certificates and consents required under Part 8 of this Instrument.

Maintenance of Records

6.3 An issuer must keep for 7 years copies of assay and other analytical certificates, drill logs, and other information referenced in the technical report or used as a basis for the technical report.

Limitation on Disclaimers

6.4 (1) An issuer must not file a technical report that contains a disclaimer by any qualified person responsible for preparing or supervising the preparation of all or part of the report that

(a) disclaims responsibility for, or limits reliance by another party on, any information in the part of the report the qualified person prepared or supervised the preparation of; or

(b) limits the use or publication of the report in a manner that interferes with the issuer's obligation to reproduce the report by filing it on SEDAR.

(2) Despite subsection (1), an issuer may file a technical report that includes a disclaimer in accordance with Item 3 of Form 43-101F1.

PART 7 USE OF FOREIGN CODE

Use of Foreign Code

7.1 (1) Despite section 2.2, an issuer may make disclosure and file a technical report that uses the mineral resource and mineral reserve categories of an acceptable foreign code, if the issuer

(a) is incorporated or organized in a foreign jurisdiction; or

(b) is incorporated or organized under the laws of Canada or a jurisdiction of Canada, for its properties located in a foreign jurisdiction.

(2) If an issuer relies on subsection (1), the issuer must include in the technical report a reconciliation of any material differences between the mineral resource and mineral reserve categories used and the categories set out in sections 1.2 and 1.3.

PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS

Certificates of Qualified Persons

8.1 (1) An issuer must, when filing a technical report, file a certificate that is dated, signed, and if the signatory has a seal, sealed, of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report.

(2) A certificate under subsection (1) must state

(a) the name, address, and occupation of the qualified person;

(b) the title and effective date of the technical report to which the certificate applies;

(c) the qualified person's qualifications, including a brief summary of relevant experience, the name of all professional associations to which the qualified person belongs, and that the qualified person is a "qualified person" for purposes of this Instrument;

(d) the date and duration of the qualified person's most recent personal inspection of each property, if applicable;

(e) the item or items of the technical report for which the qualified person is responsible;

(f) whether the qualified person is independent of the issuer as described in section 1.5;

(g) what prior involvement, if any, the qualified person has had with the property that is the subject of the technical report;

(h) that the qualified person has read this Instrument and the technical report, or part that the qualified person is responsible for, has been prepared in compliance with this Instrument; and

(i) that, at the effective date of the technical report, to the best of the qualified person's knowledge, information, and belief, the technical report, or part that the qualified person is responsible for, contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Addressed to Issuer

8.2 All technical reports must be addressed to the issuer.

Consents of Qualified Persons

8.3 (1) An issuer must, when filing a technical report, file a statement of each qualified person responsible for preparing or supervising the preparation of all or part of the technical report, dated, and signed by the qualified person

(a) consenting to the public filing of the technical report;

(b) identifying the document that the technical report supports;

(c) consenting to the use of extracts from, or a summary of, the technical report in the document; and

(d) confirming that the qualified person has read the document and that it fairly and accurately represents the information in the technical report or part that the qualified person is responsible for.

(2) Paragraphs (1)(b), (c) and (d) do not apply to a consent filed with a technical report filed under section 4.1.

(3) If an issuer relies on subsection (2), the issuer must file an updated consent that includes paragraphs (1)(b), (c) and (d) for the first subsequent use of the technical report to support disclosure in a document filed under subsection 4.2(1).

PART 9 EXEMPTIONS

Authority to Grant Exemptions

9.1 (1) The regulator or the securities regulatory authority may, on application, grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption in response to an application.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B to National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

Exemptions for Royalty or Similar Interests

9.2 (1) An issuer whose interest in a mineral project is only a royalty or similar interest is not required to file a technical report to support disclosure in a document under subsection 4.2(1) if

(a) the operator or owner of the mineral project is

(i) a reporting issuer in a jurisdiction of Canada, or

(ii) a producing issuer whose securities trade on a specified exchange and that discloses mineral resources and mineral reserves under an acceptable foreign code;

(b) the issuer identifies in its document under subsection 4.2(1) the source of the scientific and technical information; and

(c) the operator or owner of the mineral project has disclosed the scientific and technical information that is material to the issuer.

(2) An issuer whose interest in a mineral project is only a royalty or similar interest and that does not qualify to use the exemption in subsection (1) is not required to

(a) comply with section 6.2; and

(b) complete those items under Form 43-101F1 that require data verification, inspection of documents, or personal inspection of the property to complete those items.

(3) Paragraphs (2)(a) and (b) only apply if the issuer

(a) has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain;

(b) under Item 3 of Form 43-101F1, states the issuer has requested but has not received access to the necessary data from the operator or owner and is not able to obtain the necessary information from the public domain and describes the content referred to under each item of Form 43-101F1 that the issuer did not complete; and

(c) includes in all scientific and technical disclosure a statement that the issuer has an exemption from completing certain items under Form 43-101F1 in the technical report required to be filed and includes a reference to the title and effective date of that technical report.

Exemption for Certain Types of Filings

9.3 This Instrument does not apply if the only reason an issuer files written disclosure of scientific or technical information is to comply with the requirement under securities legislation to file a copy of a record or disclosure material that was filed with a securities commission, exchange, or regulatory authority in another jurisdiction.

PART 10 EFFECTIVE DATE AND REPEAL

Effective Date

10.1 This Instrument comes into force on June 30, 2011.

Repeal

10.2 National Instrument 43-101 *Standards of Disclosure for Mineral Projects,* which came into force on December 30, 2005, is repealed.

FORM 43-101F1
TECHNICAL REPORT

Table of Contents

TITLE

CONTENTS OF THE TECHNICAL REPORT

FORM 43-101F1
TECHNICAL REPORT

INSTRUCTIONS:

(1) The objective of the technical report is to provide a summary of material scientific and technical information concerning mineral exploration, development, and production activities on a mineral property that is material to an issuer. This Form sets out the requirements for the preparation and content of a technical report.

(2) Terms used in this Form that are defined or interpreted in National Instrument 43-101 Standards of Disclosure for Mineral Projects (the "Instrument") will have that definition or interpretation. In addition, a general definition instrument has been adopted as National Instrument 14-101 Definitions that contains definitions of certain terms used in more than one national instrument. Readers of this Form should review both these national instruments for defined terms.

(3) The qualified person preparing the technical report should keep in mind that the intended audience is the investing public and their advisors who, in most cases, will not be mining experts. Therefore, to the extent possible, technical reports should be simplified and understandable to a reasonable investor. However, the technical report should include sufficient context and cautionary language to allow a reasonable investor to understand the nature, importance, and limitations of the data, interpretations, and conclusions summarized in the technical report.

(4) The qualified person preparing the technical report must use all of the headings of Items 1 to 14 and 23 to 27 in this Form and provide the information specified under each heading. For advanced properties, the qualified person must also use the headings of Items 15 to 22 and include the information required under each of these headings. The qualified person may create sub-headings. Disclosure included under one heading is not required to be repeated under another heading.

(5) The qualified person preparing the technical report may refer to information in a technical report previously filed by the issuer for the subject property if the information is still current and the technical report identifies the title, date and author of the previously filed technical report. However, the qualified person must still summarize or quote the referenced information in the current technical report and may not disclaim responsibility for the referenced information. Except as permitted by subsection 4.2(3) of the Instrument, an issuer may not update or revise a previously filed technical report by filing an addendum.

(6) While the Form mandates the headings and general format of the technical report, the qualified person preparing the technical report is responsible for determining the level of detail required under each Item based on the qualified person's assessment of the relevance and significance of the information.

(7) The technical report may only contain disclaimers that are in accordance with section 6.4 of the Instrument and Item 3 of this Form.

(8) Since a technical report is a summary document the inclusion and filing of comprehensive appendices is not generally necessary to comply with the requirements of the Form.

(9) The Instrument requires certificates and consents of qualified persons, prepared in accordance with sections 8.1 and 8.3 respectively, to be filed at the same time as the technical report. The Instrument does not specifically require the issuer to file the certificate of qualified person as a separate document. It is generally acceptable for the qualified person to include the certificate in the technical report and to use the certificate as the date and signature page.

CONTENTS OF THE TECHNICAL REPORT

Title Page – Include a title page setting out the title of the technical report, the general location of the mineral project, the name and professional designation of each qualified person, and the effective date of the technical report.

Date and Signature Page – The technical report must have a signature page, at either the beginning or end of the technical report, signed in accordance with section 5.2 of the Instrument. The effective date of the technical report and date of signing must be on the signature page.

Table of Contents – Provide a table of contents listing the contents of the technical report, including figures and tables.

Illustrations – Technical reports must be illustrated by legible maps, plans and sections, all prepared at an appropriate scale to distinguish important features. Maps must be dated and include a legend, author or information source, a scale in bar or grid form, and an arrow indicating north. All technical reports must be accompanied by a location or index map and a compilation map outlining the general geology of the property. In addition, all technical reports must include more detailed maps showing all important features described in the text, relative to the property boundaries, including but not limited to

(a) for exploration projects, areas of previous or historical exploration, and the location of known mineralization, geochemical or geophysical anomalies, drilling, and mineral deposits;

(b) for advanced properties other than properties under development or in production, the location and surficial outline of mineral resources, mineral reserves, and, to the extent known, areas for potential access and infrastructure; and

(c) for properties under development or in production, the location of pit limits or underground development, plant sites, tailings storage areas, waste disposal areas, and all other significant infrastructure features.

If information is used from other sources in preparing maps, drawings, or diagrams, disclose the source of the information. If adjacent or nearby properties have an important bearing on the potential of the subject property, the location of the properties and any relevant mineralized structures discussed in the report must be shown in relationship to the subject property.

INSTRUCTION: *Summarize and simplify the illustrations so that they are legible and suitable for electronic filing. For ease of reference, consider inserting the illustration in the text of the report in relative proximity to the text they illustrate.*

Requirements for All Technical Reports

Item 1: **Summary** – Briefly summarize important information in the technical report, including property description and ownership, geology and mineralization, the status of exploration, development and operations, mineral resource and mineral reserve estimates, and the qualified person's conclusions and recommendations.

Item 2: **Introduction** – Include a description of

(a) the issuer for whom the technical report is prepared;

(b) the terms of reference and purpose for which the technical report was prepared;

(c) the sources of information and data contained in the technical report or used in its preparation, with citations if applicable; and

(d) the details of the personal inspection on the property by each qualified person or, if applicable, the reason why a personal inspection has not been completed.

Item 3: **Reliance on Other Experts** – A qualified person who prepares or supervises the preparation of all or part of a technical report may include a limited disclaimer of responsibility if:

(a) The qualified person is relying on a report, opinion, or statement of another expert who is not a qualified person, or on information provided by the issuer, concerning legal, political, environmental, or tax matters relevant to the technical report, and the qualified person identifies

(i) the source of the information relied upon, including the date, title, and author of any report, opinion, or statement;

(ii) the extent of reliance; and

(iii) the portions of the technical report to which the disclaimer applies.

(b) The qualified person is relying on a report, opinion, or statement of another expert who is not a qualified person, concerning diamond or other gemstone valuations, or the pricing of commodities for which pricing is not publicly available, and the qualified person discloses

(i) the date, title, and author of the report, opinion, or statement;

(ii) the qualifications of the other expert and why it is reasonable for the qualified person to rely on the other expert;

(iii) any significant risks associated with the valuation or pricing; and

(iv) any steps the qualified person took to verify the information provided.

Item 4: Property Description and Location – To the extent applicable, describe

(a) the area of the property in hectares or other appropriate units;

(b) the location, reported by an easily recognizable geographic and grid location system;

(c) the type of mineral tenure (claim, license, lease, etc.) and the identifying name or number of each;

(d) the nature and extent of the issuer's title to, or interest in, the property including surface rights, legal access, the obligations that must be met to retain the property, and the expiration date of claims, licences, or other property tenure rights;

(e) to the extent known, the terms of any royalties, back-in rights, payments, or other agreements and encumbrances to which the property is subject;

(f) To the extent known, all environmental liabilities to which the property is subject;

(g) to the extent known, the permits that must be acquired to conduct the work proposed for the property, and if the permits have been obtained; and

(h) to the extent known, any other significant factors and risks that may affect access, title, or the right or ability to perform work on the property.

Item 5: Accessibility, Climate, Local Resources, Infrastructure and Physiography – Describe

(a) topography, elevation, and vegetation;

(b) the means of access to the property;

(c) the proximity of the property to a population centre, and the nature of transport;

(d) to the extent relevant to the mineral project, the climate and the length of the operating season; and

(e) to the extent relevant to the mineral project, the sufficiency of surface rights for mining operations, the availability and sources of power, water, mining personnel, potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites.

Item 6: History – To the extent known, describe

(a) the prior ownership of the property and ownership changes;

(b) the type, amount, quantity, and general results of exploration and development work undertaken by any previous owners or operators;

(c) any significant historical mineral resource and mineral reserve estimates in accordance with section 2.4 of the Instrument; and

(d) any production from the property.

INSTRUCTION: *If the technical report includes work that was conducted outside the current property boundaries, clearly distinguish this work from the work conducted on the property that is the subject of the technical report.*

Item 7: Geological Setting and Mineralization – Describe

(a) the regional, local, and property geology; and

(b) the significant mineralized zones encountered on the property, including a summary of the surrounding rock types, relevant geological controls, and the length, width, depth, and continuity of the mineralization, together with a description of the type, character, and distribution of the mineralization.

Item 8: **Deposit Types** – Describe the mineral deposit type(s) being investigated or being explored for and the geological model or concepts being applied in the investigation and on the basis of which the exploration program is planned.

Item 9: **Exploration** – Briefly describe the nature and extent of all relevant exploration work other than drilling, conducted by or on behalf of, the issuer, including

(a) the procedures and parameters relating to the surveys and investigations;

(b) the sampling methods and sample quality, including whether the samples are representative, and any factors that may have resulted in sample biases;

(c) relevant information of location, number, type, nature, and spacing or density of samples collected, and the size of the area covered; and

(d) the significant results and interpretation of the exploration information.

INSTRUCTION: *If exploration results from previous operators are included, clearly identify the work conducted by or on behalf of the issuer.*

Item 10: **Drilling** – Describe

(a) the type and extent of drilling including the procedures followed and a summary and interpretation of all relevant results;

(b) any drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of the results;

(c) for a property other than an advanced property

(i) the location, azimuth, and dip of any drill hole, and the depth of the relevant sample intervals;

(ii) the relationship between the sample length and the true thickness of the mineralization, if known, and if the orientation of the mineralization is unknown, state this; and

(iii) the results of any significantly higher grade intervals within a lower grade intersection.

INSTRUCTIONS:

(1) For properties with mineral resource estimates, the qualified person may meet the requirements under Item 10 (c) by providing a drill plan and representative examples of drill sections through the mineral deposit.

(2) If drill results from previous operators are included, clearly identify the results of drilling conducted by or on behalf of the issuer.

Item 11: **Sample Preparation, Analyses, and Security** – Describe

(a) sample preparation methods and quality control measures employed before dispatch of samples to an analytical or testing laboratory, the method or process of sample splitting and reduction, and the security measures taken to ensure the validity and integrity of samples taken;

(b) relevant information regarding sample preparation, assaying and analytical procedures used, the name and location of the analytical or testing laboratories, the relationship of the laboratory to the issuer, and whether the laboratories are certified by any standards association and the particulars of any certification;

(c) a summary of the nature, extent, and results of quality control procedures employed and quality assurance actions taken or recommended to provide adequate confidence in the data collection and processing; and

(d) the author's opinion on the adequacy of sample preparation, security, and analytical procedures.

Item 12: **Data Verification** – Describe the steps taken by the qualified person to verify the data in the technical report, including

(a) the data verification procedures applied by the qualified person;

(b) any limitations on or failure to conduct such verification, and the reasons for any such limitations or failure; and

(c) the qualified person's opinion on the adequacy of the data for the purposes used in the technical report.

Item 13: Mineral Processing and Metallurgical Testing – If mineral processing or metallurgical testing analyses have been carried out, discuss

(a) the nature and extent of the testing and analytical procedures, and provide a summary of the relevant results;

(b) the basis for any assumptions or predictions regarding recovery estimates;

(c) to the extent known, the degree to which the test samples are representative of the various types and styles of mineralization and the mineral deposit as a whole; and

(d) to the extent known, any processing factors or deleterious elements that could have a significant effect on potential economic extraction.

Item 14: Mineral Resource Estimates – A technical report disclosing mineral resources must

(a) provide sufficient discussion of the key assumptions, parameters, and methods used to estimate the mineral resources, for a reasonably informed reader to understand the basis for the estimate and how it was generated;

(b) comply with all disclosure requirements for mineral resources set out in the Instrument, including sections 2.2, 2.3, and 3.4;

(c) when the grade for a multiple commodity mineral resource is reported as metal or mineral equivalent, report the individual grade of each metal or mineral and the metal prices, recoveries, and any other relevant conversion factors used to estimate the metal or mineral equivalent grade; and

(d) include a general discussion on the extent to which the mineral resource estimates could be materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors.

INSTRUCTIONS:

(1) A statement of quantity and grade or quality is an estimate and should be rounded to reflect the fact that it is an approximation.

(2) Where multiple cut-off grade scenarios are presented, the qualified person must identify and highlight the base case, or preferred scenario. All estimates resulting from each of the cut-off grade scenarios must meet the test of reasonable prospect of economic extraction.

Additional Requirements for Advanced Property Technical Reports

Item 15: Mineral Reserve Estimates – A technical report disclosing mineral reserves must

(a) provide sufficient discussion and detail of the key assumptions, parameters, and methods used for a reasonably informed reader to understand how the qualified person converted the mineral resources to mineral reserves;

(b) comply with all disclosure requirements for mineral reserves set out in the Instrument, including sections 2.2, 2.3, and 3.4;

(c) when the grade for a multiple commodity mineral reserve is reported as metal or mineral equivalent, report the individual grade of each metal or mineral and the metal prices, recoveries, and any other relevant conversion factors used to estimate the metal or mineral equivalent grade; and

(d) discuss the extent to which the mineral reserve estimates could be materially affected by mining, metallurgical, infrastructure, permitting, and other relevant factors.

Item 16: Mining Methods – Discuss the current or proposed mining methods and provide a summary of the relevant information used to establish the amenability or potential amenability of the mineral resources or mineral reserves to the proposed mining methods. Consider and, where relevant, include

(a) geotechnical, hydrological, and other parameters relevant to mine or pit designs and plans;

(b) production rates, expected mine life, mining unit dimensions, and mining dilution factors used;

(c) requirements for stripping, underground development, and backfilling; and

(d) required mining fleet and machinery.

INSTRUCTION: *Preliminary economic assessments, pre-feasibility studies, and feasibility studies generally analyse and assess the same geological, engineering, and economic factors with increasing detail and precision. Therefore, the criteria for Items 16 to 22 can be used as a framework for reporting the results of all three studies.*

Item 17: Recovery Methods – Discuss reasonably available information on test or operating results relating to the recoverability of the valuable component or commodity and amenability of the mineralization to the proposed processing methods. Consider and, where relevant, include

(a) a description or flow sheet of any current or proposed process plant;

(b) plant design, equipment characteristics and specifications, as applicable; and

(c) current or projected requirements for energy, water, and process materials.

Item 18: Project Infrastructure – Provide a summary of infrastructure and logistic requirements for the project, which could include roads, rail, port facilities, dams, dumps, stockpiles, leach pads, tailings disposal, power, and pipelines, as applicable.

Item 19: Market Studies and Contracts

(a) Provide a summary of reasonably available information concerning markets for the issuer's production, including the nature and material terms of any agency relationships. Discuss the nature of any studies or analyses completed by the issuer, including any relevant market studies, commodity price projections, product valuations, market entry strategies, or product specification requirements. Confirm that the qualified person has reviewed these studies and analyses and that the results support the assumptions in the technical report.

(b) Identify any contracts material to the issuer that are required for property development, including mining, concentrating, smelting, refining, transportation, handling, sales and hedging, and forward sales contracts or arrangements. State which contracts are in place and which are still under negotiation. For contracts that are in place, discuss whether the terms, rates or charges are within industry norms.

Item 20 : Environmental Studies, Permitting, and Social or Community Impact – Discuss reasonably available information on environmental, permitting, and social or community factors related to the project. Consider and, where relevant, include

(a) a summary of the results of any environmental studies and a discussion of any known environmental issues that could materially impact the issuer's ability to extract the mineral resources or mineral reserves;

(b) requirements and plans for waste and tailings disposal, site monitoring, and water management both during operations and post mine closure;

(c) project permitting requirements, the status of any permit applications, and any known requirements to post performance or reclamation bonds;

(d) a discussion of any potential social or community related requirements and plans for the project and the status of any negotiations or agreements with local communities; and

(e) a discussion of mine closure (remediation and reclamation) requirements and costs.

Item 21: **Capital and Operating Costs** – Provide a summary of capital and operating cost estimates, with the major components set out in tabular form. Explain and justify the basis for the cost estimates.

Item 22: **Economic Analysis** – Provide an economic analysis for the project that includes

(a) a clear statement of and justification for the principal assumptions;

(b) cash flow forecasts on an annual basis using mineral reserves or mineral resources and an annual production schedule for the life of project;

(c) a discussion of net present value (NPV), internal rate of return (IRR), and payback period of capital with imputed or actual interest;

(d) a summary of the taxes, royalties, and other government levies or interests applicable to the mineral project or to production, and to revenue or income from the mineral project; and

(e) sensitivity or other analysis using variants in commodity price, grade, capital and operating costs, or other significant parameters, as appropriate, and discuss the impact of the results.

INSTRUCTIONS:

(1) Producing issuers may exclude the information required under Item 22 for technical reports on properties currently in production unless the technical report includes a material expansion of current production.

(2) The economic analysis in technical reports must comply with paragraphs 2.3(1)(b) and (c), subsections 2.3(3) and (4), and paragraph 3.4(e), of the Instrument, including any required cautionary language.

Requirements for All Technical Reports

Item 23: **Adjacent Properties** – A technical report may include relevant information concerning an adjacent property if

(a) such information was publicly disclosed by the owner or operator of the adjacent property;

(b) the source of the information is identified;

(c) the technical report states that its qualified person has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the property that is the subject of the technical report;

(d) the technical report clearly distinguishes between the information from the adjacent property and the information from the property that is the subject of the technical report; and

(e) any historical estimates of mineral resources or mineral reserves are disclosed in accordance with paragraph 2.4(a) of the Instrument.

Item 24: **Other Relevant Data and Information** – Include any additional information or explanation necessary to make the technical report understandable and not misleading.

Item 25: **Interpretation and Conclusions** – Summarize the relevant results and interpretations of the information and analysis being reported on. Discuss any significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information, mineral resource or mineral reserve estimates, or projected economic outcomes. Discuss any reasonably foreseeable impacts of these risks and uncertainties to the project's potential economic viability or continued viability. A technical report concerning exploration information must include the conclusions of the qualified person.

Item 26: **Recommendations** – Provide particulars of recommended work programs and a breakdown of costs for each phase. If successive phases of work are recommended, each phase must culminate in a decision point. The recommendations must not apply to more than two phases of work. The recommendations must state whether advancing to a subsequent phase is contingent on positive results in the previous phase.

INSTRUCTION: *In some specific cases, the qualified person may not be in a position to make meaningful recommendations for further work. Generally, these situations will be limited to properties under development or in production where material*

exploration activities and engineering studies have largely concluded. In such cases, the qualified person should explain why they are not making further recommendations.

Item 27: References – Include a detailed list of all references cited in the technical report.

COMPANION POLICY 43-101CP
TO NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

Table of Contents

COMPANION POLICY 43-101CP
TO NATIONAL INSTRUMENT 43-101
STANDARDS OF DISCLOSURE FOR MINERAL PROJECTS

This companion policy (the "Policy") sets out the views of the Canadian securities regulatory authorities (the "securities regulatory authorities" or "we") as to how we interpret and apply certain provisions of National Instrument 43-101 and Form 43-101F1 (the "Instrument").

GENERAL GUIDANCE

(1) **Application of the Instrument** – The definition of "disclosure" in the Instrument includes oral and written disclosure. The Instrument establishes standards for disclosure of scientific and technical information regarding mineral projects and requires that the disclosure be based on a technical report or other information prepared by or under the supervision of a qualified person. The Instrument does not apply to disclosure concerning petroleum, natural gas, bituminous sands or shales, groundwater, coal bed methane, or other substances that do not fall within the meaning of the term "mineral project" in section 1.1 of the Instrument.

(2) **Supplements Other Requirements** – The Instrument supplements other continuous disclosure requirements of securities legislation that apply to reporting issuers in all business sectors.

(3) **Forward-Looking Information –** Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) sets out the requirements for disclosing forward-looking information. Frequently, scientific and technical information about a mineral project includes or is based on forward-looking information. A mining issuer must comply with the requirements of Part 4A of NI 51-102, including identifying forward-looking information, stating material factors and assumptions used, and providing the required cautions. Examples of forward-looking information include metal price assumptions, cash flow forecasts, projected capital and operating costs, metal or mineral recoveries, mine life and production rates, and other assumptions used in preliminary economic assessments, pre-feasibility studies, and feasibility studies.

(4) **Materiality** – An issuer should determine materiality in the context of the issuer's overall business and financial condition taking into account qualitative and quantitative factors, assessed in respect of the issuer as a whole**.**

In making materiality judgements, an issuer should consider a number of factors that cannot be captured in a simple bright-line standard or test, including the potential effect on both the market price and value of the issuer's securities in light of the current market activity. An assessment of materiality depends on the context. Information that is immaterial today could be material tomorrow; an item of information that is immaterial alone could be material if it is aggregated with other items.

(5) **Property Material to the Issuer** – An actively trading mining issuer, in most circumstances, will have at least one material property. We will generally assess an issuer's view of the materiality of a property based on the issuer's disclosure record, its deployment of resources, and other indicators. For example, we will likely conclude that a property is material if

(a) the issuer's disclosure record is focused on the property;

(b) the issuer's disclosure indicates or suggests the results are significant or important;

(c) the cumulative and projected acquisition costs or proposed exploration expenditures are significant compared to the issuer's other material properties; or

(d) the issuer is raising significant money or devoting significant resources to the exploration and development of the property.

In determining if a property is material, the issuer should consider how important or significant the property is to the issuer's overall business and in comparison to its other properties. For example

(e) more advanced stage properties will, in most cases, be more material than earlier stage properties;

(f) historical expenditures or book value might not be a good indicator of materiality for an inactive property if the issuer is focussing its resources on new properties;

(g) a small interest in a sizeable property might, in the circumstances, not be material to the issuer;

(h) a royalty or similar interest in an advanced property could be material to the issuer in comparison to its active projects; or

(i) several non-material properties in an area or region, when taken as a whole, could be material to the issuer.

(6) **Industry Best Practices Guidelines** – While the Instrument sets standards for disclosure of scientific and technical information about a mineral project, the standards and methodologies for collecting, analysing, and verifying this information are the responsibility of the qualified person. The Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") has published and adopted several industry best practice guidelines to assist qualified persons and other industry practitioners. These guidelines, as amended and supplemented, are posted on www.cim.org, and include

(a) Exploration Best Practice Guidelines – adopted August 20, 2000;

(b) Guidelines for Reporting of Diamond Exploration Results – adopted March 9, 2003; and

(c) Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines – adopted November 23, 2003, and related commodity-specific appendices.

The Instrument does not specifically require the qualified person to follow the CIM best practices guidelines. However, we think that a qualified person, acting in compliance with the professional standards of competence and ethics established by their professional association, will generally use procedures and methodologies that are consistent with industry standard practices, as established by CIM or similar organizations in other jurisdictions. Issuers that disclose scientific and technical information that does not conform to industry standard practices could be making misleading disclosure, which is an offence under securities legislation.

(7) **Objective Standard of Reasonableness** – Where a determination about the definitions or application of a requirement in the Instrument turns on reasonableness, the test is objective, not subjective. It is not sufficient for an officer of an issuer or a qualified person to determine that they personally believe the matter under consideration. The individual must form an opinion as to what a reasonable person would believe in the circumstances.

(8) **Improper Use of Terms in the French Language** – For an issuer preparing its disclosure using the French language, the words "gisement" and "gîte" have different meanings and using them interchangeably or in the wrong context may be misleading. The word "gisement" means a mineral deposit that is a continuous, well-defined mass of material containing a sufficient volume of mineralized material that can be or has been mined legally and economically. The word "gîte" means a mineral deposit that is a continuous, defined mass of material, containing a volume of mineralized material that has had no demonstration of economic viability.

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

(1) **"acceptable foreign code" –** The definition of "acceptable foreign code" in the Instrument lists five internationally recognized foreign codes that govern the estimation and disclosure of mineral resources and mineral reserves. The JORC Code, PERC Code, SAMREC Code, and Certification Code use mineral resource and mineral reserve definitions and categories that are substantially the same as the CIM definitions mandated in the Instrument. These codes also use mineral resource and mineral reserve categories that are based on or consistent with the International Reporting Template, published by the Committee for Mineral Reserves International Reporting Standards ("the CRIRSCO Template"), as amended.

We think other foreign codes will generally meet the test in the definition if they

(a) have been adopted or recognized by appropriate government authorities or professional organizations in the foreign jurisdiction; and

(b) use mineral resource and mineral reserve categories that are based on the CRIRSCO Template, and are substantially the same as the CIM definitions mandated in the Instrument, the JORC Code, the PERC Code, the SAMREC Code, and the Certification Code, as amended and supplemented.

We will publish CSA Staff Notices periodically listing the codes that CSA members' staff think satisfy the definition of "acceptable foreign code". We will also consider submissions from market participants regarding the proposed addition of foreign codes to the list. Submissions should explain the basis for concluding that the proposed foreign code meets the test in the definition and include appropriate supporting documentation.

(2) **"effective date"** – This is the cut-off date for the scientific and technical information included in the technical report. Under section 8.1 of the Instrument, the qualified person must provide their certificate as at the effective date of the technical report and specify this date in their certificate. The effective date can precede the date of signing the technical report but if there is too long a period between these dates, the issuer is exposed to the risk that new material information could become available and the technical report would then not be current.

(3) **"mineral project" –** The definition of "mineral project" in the Instrument includes a royalty or similar interest. Scientific and technical disclosure regarding all types of royalty interests in a mineral project is subject to the Instrument.

(4) **"preliminary economic assessment" –** The term "preliminary economic assessment", which can include a study commonly referred to as a scoping study, is defined in the Instrument. A preliminary economic assessment might be based on measured, indicated, or inferred mineral resources, or a combination of any of these. We consider these types of economic analyses to include disclosure of forecast mine production rates that might contain capital costs to develop and sustain the mining operation, operating costs, and projected cash flows.

(5) **"professional association" –** Paragraph (a)(ii) of the definition of "professional association" in the Instrument includes a test for determining what constitutes an acceptable foreign association. In assessing whether we think a foreign professional association meets this test, we will consider the reputation of the association and whether it is substantially similar to a professional association in a jurisdiction of Canada.

Appendix A to the Policy provides a list of the foreign associations that we think meet all the tests in the definition as of the effective date of the Instrument. We will publish updates to the list periodically. An issuer that wishes to rely on a qualified person that is a member of a professional association not included in Appendix A but which the issuer believes meets the tests in the Instrument, may make submissions to have the association added to Appendix A. Submissions should include appropriate supporting documentation. The issuer should allow sufficient time for its submissions to be considered before naming the qualified person in connection with its disclosure or filing any technical report signed by the qualified person.

The listing of a professional association on Appendix A is only for purposes of the Instrument and does not supersede or alter local requirements where geoscience or engineering is a regulated profession.

(6) **definitions that include "property" –** The Instrument defines two different types of properties (early stage exploration, advanced) and requires a technical report to summarize material information about the subject property. We consider a property, in the context of the Instrument, to include multiple mineral claims or other documents of title that are contiguous or in such close proximity that any underlying mineral deposits would likely be developed using common infrastructure.

(7) **"qualified person" –** The definition of "qualified person" in the Instrument does not include engineering and geoscience technicians, engineers and geoscientists in training, and equivalent designations that restrict the individual's scope of practice or require the individual to practise under the supervision of another professional engineer, professional geoscientist, or equivalent**.**

Paragraph (d) of the definition requires a qualified person to be "in good standing with a professional association". We interpret this to include satisfying any related registration, licensing, or similar requirements. Canadian provincial and territorial legislation requires a qualified person to be registered if practising in a jurisdiction of Canada. It is the responsibility of the qualified person, in compliance with their professional association's code of ethics, to comply with laws requiring licensure of geoscientists and engineers.

Paragraph (e) of the definition includes a test for what constitutes an acceptable membership designation in a foreign professional association. Appendix A to the Policy provides a list of the membership designations that we think meet this test as of the effective date of the Instrument. We will update the list periodically. In assessing whether we think a membership designation meets the test, we will consider whether it is substantially similar to a membership designation in a professional association in a jurisdiction of Canada.

Subparagraph (e)(ii)(B) includes the concept of "demonstrated expertise in the field of mineral exploration or mining". We generally interpret this to mean having at least five years of professional experience and satisfying an additional entrance requirement relating to level of responsibility. Some examples of such a requirement are:

(a) at least three years in a position of responsibility where the person was depended on for significant participation and decision-making;

(b) experience of a responsible nature and involving the exercise of independent judgment in at least three of those years;

(c) at least five years in a position of major responsibility, or a senior technical position of responsibility.

(8) **"technical report" –** A report may constitute a "technical report" as defined in the Instrument, even if prepared considerably before the date the technical report is required to be filed, provided the information in the technical report remains accurate and complete as at the required filing date. However, a report that an issuer files that is not required under the Instrument will not be considered a technical report until the Instrument requires the issuer to file it and the issuer has filed the required certificates and consents of qualified persons.

The definition requires the technical report to include a summary of all material information about the subject property. The qualified person is responsible for preparing the technical report. Therefore, it is the qualified person, not the issuer, who has the responsibility of determining the materiality of the scientific or technical information to be included in the technical report.

1.5 Independence

(1) **Guidance on Independence –** Section 1.5 of the Instrument provides the test an issuer and a qualified person must apply to determine whether a qualified person is independent of the issuer. When an independent qualified person is required, an issuer must always apply the test in section 1.5 to confirm that the requirement is met.

Applying this test, the following are examples of when we would consider that a qualified person is not independent. These examples are not a complete list of non-independence situations.

We consider a qualified person is not independent when the qualified person

(a) is an employee, insider, or director of the issuer;

(b) is an employee, insider, or director of a related party of the issuer;

(c) is a partner of any person or company in paragraph (a) or (b);

(d) holds or expects to hold securities, either directly or indirectly, of the issuer or a related party of the issuer;

(e) holds or expects to hold securities, either directly or indirectly, in another issuer that has a direct or indirect interest in the property that is the subject of the technical report or in an adjacent property;

(f) is an employee, insider, or director of another issuer that has a direct or indirect interest in the property that is the subject of the technical report or in an adjacent property;

(g) has or expects to have, directly or indirectly, an ownership, royalty, or other interest in the property that is the subject of the technical report or an adjacent property; or

(h) has received the majority of their income, either directly or indirectly, in the three years preceding the date of the technical report from the issuer or a related party of the issuer.

For the purposes of (d) above, a related party of the issuer means an affiliate, associate, subsidiary, or control person of the issuer as those terms are defined in securities legislation.

(2) **Independence Not Compromised –** In some cases, it might be reasonable to consider the qualified person's independence is not compromised even though the qualified person holds an interest in the issuer's

securities, the securities of another issuer with an interest in the subject property, or in an adjacent property. The issuer needs to determine whether a reasonable person would consider such interest would interfere with the qualified person's judgement regarding the preparation of the technical report.

PART 2 REQUIREMENTS APPLICABLE TO ALL DISCLOSURE

2.1 Requirements Applicable to All Disclosure

(1) **Disclosure is the Responsibility of the Issuer –** Primary responsibility for public disclosure remains with the issuer and its directors and officers. The qualified person is responsible for preparing or supervising the preparation of the technical report and providing scientific and technical advice in accordance with applicable professional standards. The proper use, by or on behalf of the issuer, of the technical report and other scientific and technical information provided by the qualified person is the responsibility of the issuer and its directors and officers.

The onus is on the issuer and its directors and officers and, in the case of a document filed with a securities regulatory authority, each signatory to the document, to ensure that disclosure in the document is consistent with the related technical report or advice. An issuer should consider having the qualified person review disclosure that summarizes or restates the technical report or the technical advice or opinion to ensure that the disclosure is accurate.

(2) **Material Information not yet Confirmed by a Qualified Person** – Securities legislation requires an issuer to disclose material facts and to make timely disclosure of material changes. We recognize that there can be circumstances in which an issuer expects that certain information concerning a mineral project may be material notwithstanding the fact that a qualified person has not prepared or supervised the preparation of the information. In this situation, the issuer may file a confidential material change report concerning this information while a qualified person reviews the information. Once a qualified person has confirmed the information, the issuer can issue a news release and the basis of confidentiality will end.

During the period of confidentiality, persons in a special relationship to the issuer are prohibited from tipping or trading until the information is disclosed to the public. National Policy 51-201 *Disclosure Standards* provides further guidance about materiality and timely disclosure obligations.

(3) **Use of Plain Language** – An issuer should apply plain language principles when preparing disclosure regarding mineral projects on its material properties, keeping in mind that the investing public are often not mining experts. An issuer should present written disclosure in an easy to read format using clear and unambiguous language and, wherever possible, should present data in table format. This includes information in the technical report, to the extent possible. We recognize that the technical report does not always lend itself well to plain language and therefore the issuer might want to consult the responsible qualified person when restating the data and conclusions from a technical report in its public disclosure.

2.2 All Disclosure of Mineral Resources or Mineral Reserves – Use of GSC Paper 88-21 A qualified person estimating mineral resources or mineral reserves for coal may follow the guidelines of Paper 88-21 of the Geological Survey of Canada: A Standardized Coal Resource/Reserve Reporting System for Canada, as amended ("Paper 88-21"). However, for all disclosure of mineral resources or mineral reserves for coal, section 2.2 of the Instrument requires an issuer to use the equivalent mineral resource or mineral reserve categories set out in the CIM Definition Standards and not the categories set out in Paper 88-21.

2.3 Restricted Disclosure

(1) **Economic Analysis –** Subject to subsection 2.3(3) of the Instrument, paragraph 2.3(1)(b) of the Instrument prohibits the disclosure of the results of an economic analysis that includes or is based on inferred mineral resources, an historical estimate, or an exploration target.

CIM considers the confidence in inferred mineral resources is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. The Instrument extends this prohibition to exploration targets because such targets are conceptual and have even less confidence than inferred mineral resources. The Instrument also extends the prohibition to historical estimates because they have not been demonstrated or verified to the standards required for mineral resources or mineral reserves and, therefore, cannot be used in an economic analysis suitable for public disclosure.

(2) **Use of Term "Ore"** – We consider the use of the word "ore" in the context of mineral resource estimates to be potentially misleading because "ore" implies technical feasibility and economic viability that should only be attributed to mineral reserves.

(3) **Exceptions –** The Instrument permits an issuer to disclose the results of an economic analysis that uses inferred mineral resources, provided the issuer complies with the requirements of subsection 2.3(3). The issuer must also include the cautionary statement under paragraph 3.4(e) of the Instrument, which applies to disclosure of all economic analyses of mineral resources, to further alert investors to the limitations of the information. The exception under subsection 2.3(3) does not allow an issuer to disclose the results of an economic analysis using an exploration target or an historical estimate.

(4) **Impact of Preliminary Economic Assessment on Previous Feasibility or Pre- Feasibility Studies –** An issuer may disclose the results of a preliminary economic assessment that includes inferred mineral resources, after it has completed a feasibility study or pre-feasibility study that establishes mineral reserves, if the disclosure complies with subsection 2.3(3) of the Instrument. Under paragraph 2.3(3)(c), the issuer must discuss the impact of the preliminary economic assessment on the mineral reserves and feasibility study or pre-feasibility study. This means considering and disclosing whether the existing mineral reserves and feasibility study or pre-feasibility study are still current and valid in light of the key assumptions and parameters used in the preliminary economic assessment.

For example, if the preliminary economic assessment considers the potential economic viability of developing a satellite deposit in conjunction with the main development project, then the existing mineral reserves, feasibility study, and production scenario could still be current. However, if the preliminary economic assessment significantly modifies the key variables in the feasibility study, including metal prices, mine plan, and costs, the feasibility study and mineral reserves might no longer be current.

(5) **Gross Value of Metal or Mineral** – We interpret gross metal value or gross mineral value to include any representation of the potential monetary value of the metal or mineral in the ground that does not take into consideration the costs, recoveries, and other relevant factors associated with the extraction and recovery of the metal or mineral. We think this type of disclosure is misleading because it overstates the potential value of the mineral deposit.

(6) **Cautionary Language and Explanations –** The requirements of subsections 2.3(2), 2.3(3), and 3.4(e) of the Instrument mean the issuer must include the required cautionary statements and explanations each time it makes the disclosure permitted by these exceptions. These subsections also require the cautionary statements to have equal prominence with the rest of the disclosure. We interpret this to mean equal size type and proximate location. The issuer should consider including the cautionary language and explanations in the same paragraph as, or immediately following, the disclosure permitted by these exceptions.

2.4 Disclosure of Historical Estimates

(1) **Required Disclosure –** An issuer may disclose an estimate of resources or reserves made before it entered into an agreement to acquire an interest in the property, provided the issuer complies with the conditions set out in section 2.4 of the Instrument. Under this requirement, the issuer must provide the required disclosure each time it discloses the historical estimate, until the issuer has verified the historical estimate as a current mineral resource or mineral reserve. The required cautionary statements must also have equal prominence (see the discussion in subsection 2.3(6) of the Policy).

(2) **Source and Date –** Under paragraph 2.4(a) of the Instrument, the issuer must disclose the source and date of the historical estimate. This means the original source and date of the estimate, not third party documents, databases or other sources, including government databases, which may also report the historical estimate.

(3) **Suitability for Public Disclosure –** Under paragraph 2.4(b) of the Instrument, an issuer that discloses an historical estimate must comment on its relevance and reliability. In determining whether to disclose an historical estimate, an issuer should consider whether the historical estimate is suitable for public disclosure.

(4) **Historical Estimate Categories –** Under paragraph 2.4(d) of the Instrument, an issuer must explain any differences between the categories used in the historical estimate and those set out in sections 1.2 and 1.3 of the Instrument. If the historical estimate was prepared using an acceptable foreign code, the issuer may satisfy this requirement by identifying the acceptable foreign code.

(5) **Technical Report Trigger –** The disclosure of an historical estimate will not trigger the requirement to file a technical report under paragraph 4.2(1)(j) of the Instrument if the issuer discloses the historical estimate in

accordance with section 2.4 of the Instrument, including the cautionary statements required under paragraph 2.4(g).

An issuer could trigger the filing of a technical report under paragraph 4.2(1)(j) if it discloses the historical estimate in a manner that suggests or treats the historical estimate as a current mineral resource or mineral reserve. We will consider an issuer is treating the historical estimate as a current mineral resource or mineral reserve in its disclosure if, for example, it

(a) uses the historical estimate in an economic analysis or as the basis for a production decision;

(b) states it will be adding on or building on the historical estimate; or

(c) adds the historical estimate to current mineral resource or mineral reserve estimates.

PART 3 ADDITIONAL REQUIREMENTS FOR WRITTEN DISCLOSURE

3.3 Requirements Applicable to Written Disclosure of Exploration Information – Adjacent Property Information – It is an offence under securities legislation to make misleading disclosure. An issuer may disclose in writing scientific and technical information about an adjacent property. However, in order for the disclosure not to be misleading, the issuer should clearly distinguish between the information from the adjacent property and its own property and not state or imply the issuer will obtain similar information from its own property.

3.5 Exception for Written Disclosure Already Filed – Section 3.5 of the Instrument provides that the disclosure requirements of sections 3.2 and 3.3 and paragraphs 3.4(a), (c) and (d) of the Instrument may be satisfied by referring to a previously filed document that includes the required disclosure. However, the disclosure as a whole must be factual, complete, and balanced and not present or omit information in a manner that is misleading.

PART 4 OBLIGATION TO FILE A TECHNICAL REPORT

4.2 Obligation to File a Technical Report in Connection with Certain Written Disclosure about Mineral Projects on Material Properties

(1) **Information Circular Trigger (4.2(1)(c))**

(a) The requirement for "prospectus-level disclosure" in an information circular does not make this document a "prospectus" such that the prospectus trigger applies. The information circular is a separate trigger that applies only in certain situations specified in the Instrument.

(b) Paragraph 4.2(1)(c) of the Instrument requires the issuer to file technical reports for properties that will be material to the resulting issuer. Often the resulting issuer is not the issuer filing the information circular. In determining if it must file a technical report on a particular property, the issuer should consider if the property will be material to the resulting issuer after the completion of the proposed transaction.

(c) Our view is that the issuer filing the information circular does not need to file a technical report on its SEDAR profile if

(i) the other party to the transaction has filed the technical report;

(ii) the information circular refers to the other party's SEDAR profile; and

(iii) on completion of the transaction, technical reports for all material properties are filed on the resulting issuer's SEDAR profile or the SEDAR profile of a wholly-owned subsidiary.

(2) **Take-Over Bid Circular Trigger (4.2(1)(i)) –** For purposes of the take-over bid circular, the issuer referred to in the introductory language of subsection 4.2(1) of the Instrument and the offeror referred to in paragraph (i) of this subsection are the same entity. Since the offeror is the issuer that files the circular, the technical report trigger applies to properties that are material to the offeror.

(3) **First Time Disclosure Trigger (4.2(1)(j)(i)) –** In most cases, we think that first time disclosure of mineral resources, mineral reserves, or the results of a preliminary economic assessment, on a property material to the issuer will constitute a material change in the affairs of the issuer.

(4) **Property Acquisitions – 45-Day Filing Requirement –** Subsection 4.2(5) of the Instrument requires an issuer in certain cases to file a technical report within 45 days to support first time disclosure of mineral resources, mineral reserves, or the results of a preliminary economic assessment, on a property material to the issuer. Property materiality is not contingent on the issuer having acquired an actual interest in the property or having formal agreements in place. In many cases, the property will become material at the letter of intent stage, even if subject to conditions such as the approval of a third party or completion of a due diligence review. In such cases, the 45-day period will begin to run from the time the issuer first discloses the mineral resources, mineral reserves, or results of a preliminary economic assessment.

(5) **Property Acquisitions – Other Alternatives for Disclosure of Previous Estimates –** If an issuer options or agrees to buy a property material to the issuer, any previous estimates of mineral resources or mineral reserves on the property will be in many cases material information that the issuer must disclose.

The issuer has a number of options available for disclosing the previous estimate without triggering a technical report within 45 days. If the previous estimate is not well-documented, the issuer may choose to disclose this information as an exploration target, in compliance with subsection 2.3(2) of the Instrument. Alternatively, the issuer may be able to disclose the previous estimate as an historical estimate, in compliance with section 2.4 of the Instrument. Both these options require the issuer to include certain cautionary language and prohibit the issuer from using the previous estimates in an economic analysis.

In circumstances where the previous estimate is supported by a technical report prepared for another issuer, the issuer may be able to disclose the previous estimate as a mineral resource or mineral reserve, in compliance with subsection 4.2(7) of the Instrument. In this case, the issuer will still be required to file a technical report. However, it will have up to 180 days to do so.

(6) **Production Decision –** The Instrument does not require an issuer to file a technical report to support a production decision because the decision to put a mineral project into production is the responsibility of the issuer, based on information provided by qualified persons. The development of a mining operation typically involves large capital expenditures and a high degree of risk and uncertainty. To reduce this risk and uncertainty, the issuer typically makes its production decision based on a comprehensive feasibility study of established mineral reserves.

We recognize that there might be situations where the issuer decides to put a mineral project into production without first establishing mineral reserves supported by a technical report and completing a feasibility study. Historically, such projects have a much higher risk of economic or technical failure. To avoid making misleading disclosure, the issuer should disclose that it is not basing its production decision on a feasibility study of mineral reserves demonstrating economic and technical viability and should provide adequate disclosure of the increased uncertainty and the specific economic and technical risks of failure associated with its production decision.

Under paragraph 1.4(e) of Form 51-102F1, an issuer must also disclose in its MD&A whether a production decision or other significant development is based on a technical report.

(7) **Shelf Life of Technical Reports** – Economic analyses in technical reports are based on commodity prices, costs, sales, revenue, and other assumptions and projections that can change significantly over short periods of time. As a result, economic information in a technical report can quickly become outdated. Continued reference to outdated technical reports or economic projections without appropriate context and cautionary language could result in misleading disclosure. Where an issuer has triggered the requirement to file a technical report under subsection 4.2(1), it should consider the current validity of economic assumptions in its existing technical report to determine if the technical report is still current. An issuer might be able to extend the life of a technical report by having a qualified person include appropriate sensitivity analyses of the key economic variables.

(8) **Technical Reports Must be Current and Complete** – A “technical report” as defined in the Instrument must include in summary form all material scientific and technical information about the property. Any time an issuer is required to file a technical report, that report must be complete and current. There should only be one current technical report on a property at any point in time. When an issuer files a new technical report, it will replace any previously filed technical report as the current technical report on that property. This means the new technical report must include any material information documented in a previously filed technical report, to the extent that this information is still current and relevant.

If an issuer gets a new qualified person to update a previously filed technical report prepared by a different qualified person, the new qualified person must take responsibility for the entire technical report, including any information referenced or summarized from a previous technical report.

(9) **Limited Provision for Addendums** – The only exception to the requirement to file a complete technical report is under subsection 4.2(3) of the Instrument. An issuer may file an addendum if it is for a technical report that it originally filed with a preliminary short form prospectus or preliminary long form prospectus and new material scientific or technical information becomes available before the issuance of the final receipt.

(10) **Exception from Requirement to File Technical Report if Information Included in a Previously Filed Technical Report** – Subsection 4.2(8) of the Instrument provides an exemption from the technical report filing requirement if the disclosure document does not contain any new material scientific or technical information about a property that is the subject of a previously filed technical report.

In our view, a change to mineral resources or reserves due to mining depletion from a producing property generally will not constitute new material scientific or technical information as the change should be reasonably predictable based on an issuer's continuous disclosure record.

(11) **Filing on SEDAR** – If an issuer is required under National Instrument 13-101 *System for Electronic Document Analysis and Retrieval (SEDAR)* to be an electronic filer, then all technical reports must be prepared so that the issuer can file them on SEDAR. Figures required in the technical report must be included in the technical report filed on SEDAR and therefore should be prepared in electronic format.

(12) **Reports Not Required by the Instrument** – The securities regulatory authorities in most Canadian jurisdictions require an issuer to file, if not already filed with them, any record or disclosure material that the issuer files with any other securities regulator, including geological reports filed with stock exchanges. In other cases, an issuer might wish to file voluntarily a report in the form of a technical report. The Instrument does not prohibit an issuer from filing such reports in these situations. However, any document purporting to be a technical report must comply with the Instrument.

When an issuer files a report in the form of a technical report that is not required to be filed by the Instrument, the issuer is not required to file a consent of qualified person that complies with subsection 8.3(1) of the Instrument. The issuer should consider filing a cover letter with the report explaining why the issuer is filing the report and indicating that it is not filing the report as a requirement of the Instrument. Alternatively, the issuer should consider filing a modified consent with the report that provides the same information.

(13) **Preliminary Short Form Prospectus –** Under paragraph 4.2(1)(b) of the Instrument, an issuer must file a technical report with a preliminary short form prospectus if the prospectus discloses for the first time mineral resources, mineral reserves, or the results of a preliminary economic assessment that constitute a material change in relation to the issuer, or a change in this information, if the change constitutes a material change in relation to the issuer.

If this information is not disclosed for the first time in the preliminary short form prospectus itself, but is repeated or incorporated by reference into the preliminary short form prospectus, the technical report must still be filed at the same time as the preliminary short form prospectus. Subsections 4.2(5) and (7) of the Instrument, in certain limited circumstances, permit the delayed filing of a technical report. For example, an issuer normally has 45 days, or in some cases 180 days, to file a technical report supporting the first time disclosure of a mineral resource. However, if a preliminary short form prospectus that includes the prescribed disclosure is filed during the period of the delay, subparagraphs 4.2(5)(a)(i) and 4.2(7)(c)(i) require the technical report to be filed on the date of filing the preliminary short form prospectus.

(14) **Triggers with Thresholds –** The technical report triggers in paragraphs 4.2(1)(b), (i) and (j) only apply if the relevant disclosure meets certain thresholds. In these cases, the technical report filing requirement is triggered only for the material property or properties that meet the thresholds.

(15) **Triggers with Permitted Filing Delays –** Subsections 4.2(5), (6) and (7) allow technical reports in certain circumstances to be filed later than the disclosure documents they support. In these cases, once the requirement to file the technical report has been triggered, the issuer remains subject to the requirement irrespective of subsequent developments relating to the property, including, for example, the sale or abandonment of the property.

4.3 Required Form of Technical Report

(1) **Review** – Disclosure and technical reports filed under the Instrument may be subject to review by the securities regulatory authorities. If an issuer that is required to file a technical report under the Instrument files a technical report that does not meet the requirements of the Instrument, the issuer has not complied with securities legislation. This includes filing certificates and consents that do not comply with subsections 8.1(2) and 8.3(1) of the Instrument.

(2) **Filing Other Scientific and Technical Reports** – An issuer might have other reports or documents containing scientific or technical information, prepared by or under the supervision of a qualified person, which are not in the form of a technical report. We consider that filing such information on SEDAR as a technical report could be misleading. An issuer wishing to provide public access to these documents should consider posting them on its website.

(3) **Preparation in English or French** – Section 4.3 of the Instrument requires a technical report to be prepared in English or French. Reports prepared in a different language and translated into English or French are not acceptable due to the highly technical nature of the disclosure and the difficulties of ensuring accurate and reliable translations.

PART 5 AUTHOR OF THE TECHNICAL REPORT

5.1 Prepared by a Qualified Person

(1) **Selection of Qualified Person** – It is the responsibility of the issuer and its directors and officers to retain a qualified person who meets the criteria listed under the definition of qualified person in the Instrument, including having the relevant experience and competence for the subject matter of the technical report.

(2) **Assistance of Non-Qualified Persons** – A person who is not a qualified person may work on a project. If a qualified person relies on the work of a non-qualified person to prepare a technical report or to provide information or advice to the issuer, the qualified person must take responsibility for that work, information, or advice. The qualified person must take whatever steps are appropriate, in their professional judgement, to ensure that the work, information, or advice that they rely on is sound.

(3) **Exemption from Qualified Person Requirement –** The securities regulatory authorities will rarely grant requests for exemption from the requirement that the qualified person belong to a professional association.

(4) **More than One Qualified Person** – Section 5.1 of the Instrument provides that one or more qualified persons must prepare or supervise the preparation of a technical report. Some technical reports, particularly for advanced properties, could require the involvement of several qualified persons with different areas of expertise. In that case, each qualified person taking responsibility for a part of the technical report must sign the technical report and provide a certificate and consent under Part 8 of the Instrument.

However, section 5.2 and Part 8 of the Instrument allow qualified persons who supervised the preparation of all or part of the technical report to take overall responsibility for the work conducted under their supervision by other qualified persons. While supervising qualified persons do not need to be experts in all aspects of the work they supervise, they should be sufficiently knowledgeable about the subject matter to understand the information and opinions for which they are accepting responsibility. Where there are supervising qualified persons, only the supervising qualified persons must sign the technical report and provide their certificates and consents.

(5) **A Qualified Person Must Be Responsible for All Items of Technical Report –** Section 5.1 of the Instrument requires a technical report to be prepared by or under the supervision of one or more qualified persons. By implication, this means that at least one qualified person must take responsibility for each section or item of the technical report, including any information incorporated from previously filed technical reports. If the qualified person, in response to a particular item, refers to the equivalent item in a previously filed technical report, the qualified person is implicitly saying that the information is still reliable and current and there have been no material changes. This would normally involve the qualified person doing a certain amount of background work and validation.

(6) **Previous Mineral Resources or Mineral Reserves** – When a technical report includes a mineral resource or mineral reserve estimate prepared by another qualified person for a previously filed technical report, under section 5.2 and Part 8 of the Instrument, one of the qualified persons preparing the new technical report must

take responsibility for those estimates. In doing this, that qualified person should make whatever investigations are necessary to reasonably rely on the estimates.

5.2 Execution of Technical Report – Section 5.2 and subsection 8.1(1) of the Instrument require the qualified person to date, sign, and if the qualified person has a seal, seal the technical report and certificate. Section 8.3 of the Instrument requires the qualified person to date and sign the consent. If a person's name appears in an electronic document with (signed by) or (sealed) next to the person's name or there is a similar indication in the document, the securities regulatory authorities will consider that the person has signed and sealed the document. Although not required, the qualified person may sign or seal maps and drawings in the same manner.

5.3 Independent Technical Report

(1) **Independent Qualified Persons –** Subsection 5.3(1) of the Instrument requires that one or more independent qualified persons prepare or supervise the preparation of the independent technical report. This subsection does not preclude non-independent qualified persons from co-authoring or assisting in the preparation of the technical report. However, to meet the independence requirement, the independent qualified persons must assume overall responsibility for all items of the technical report.

(2) **Hundred Percent or Greater Change –** Subparagraph 5.3(1)(c)(ii) of the Instrument requires the issuer to file an independent technical report to support its disclosure of a 100 percent or greater change in total mineral resources or total mineral reserves. We interpret this to mean a 100 percent or greater change in either the total tonnage or volume, or total contained metal or mineral content, of the mineral resource or mineral reserve. We also interpret the 100 percent or greater change to apply to mineral resources and mineral reserves separately. Therefore, a 100 percent or greater change in mineral resources on a material property will require the issuer to file an independent technical report regardless of any changes to mineral reserves, and vice versa.

(3) **Objectivity of Author –** We could question the objectivity of the author based on our review of a technical report. In order to preserve the requirement for independence of the qualified person, we could ask the issuer to provide further information, additional disclosure, or the opinion or involvement of another qualified person to address concerns about possible bias or partiality on the part of the author of a technical report.

PART 6 PREPARATION OF TECHNICAL REPORT

6.1 The Technical Report – Summary of Material Information – Section 1.1 of the Instrument defines a technical report as a report that provides a summary of all material scientific and technical information about a property. Instruction (1) to Form 43-101F1 includes similar language. The target audience for technical reports are members of the investing public, many of whom have limited geological and mining expertise. To avoid misleading disclosure, technical reports must provide sufficient detail for a reasonably knowledgeable person to understand the nature and significance of the results, interpretation, conclusions, and recommendations presented in the technical report. However, we do not think that technical reports need to be a repository of all technical data and information about a property or include extensive geostatistical analysis, charts, data tables, assay certificate, drill logs, appendices, and other supporting technical information.

In addition, SEDAR might not be able to accommodate large technical report files. An issuer could have difficulty filing, and more importantly, the public could have difficulty accessing and downloading, large technical reports. An issuer should consider limiting the size of its technical reports to facilitate filing and public access to the reports.

6.2 Current Personal Inspection

(1) **Meaning** – The current personal inspection referred to in subsection 6.2(1) of the Instrument is the most recent personal inspection of the property, provided there is no new material scientific or technical information about the property since that personal inspection. A personal inspection may constitute a current personal inspection even if the qualified person conducted the personal inspection considerably before the filing date of the technical report, if there is no new material scientific or technical information about the property at the filing date. However, since the qualified person is certifying that the technical report contains all material information about the property, the qualified person should consider taking the necessary steps to verify independently that there has been no material work done on the property since their last site visit.

(2) **Importance of Personal Inspection** – We consider current personal inspections under section 6.2 of the Instrument to be particularly important because they enable qualified persons to become familiar with conditions on the property. Qualified persons can observe the geology and mineralization, verify the work done and, on that basis, design or review and recommend to the issuer an appropriate exploration or

development program. A current personal inspection is required even for properties with poor exposure. In such cases, it could be relevant for a qualified person to observe the depth and type of the overburden and cultural effects that could interfere with the results of the geophysics.

It is the responsibility of the issuer to arrange its affairs so that a qualified person can carry out a current personal inspection. A qualified person, or where required, an independent qualified person, must visit the site and cannot delegate the personal inspection requirement.

(3) **More than One Qualified Person** – Subsection 6.2(1) of the Instrument requires at least one qualified person who is responsible for preparing or supervising the preparation of the technical report to inspect the property. This is the minimum standard for a current personal inspection. There could be cases in advanced mineral projects where the qualified persons consider it necessary for more than one qualified person to conduct current personal inspections of the property, taking into account the nature of the work on the property and the different expertise required to prepare the technical report.

6.3 Maintenance of Records – Section 6.3 of the Instrument requires an issuer to keep copies of underlying or supporting exploration information for at least 7 years. In our view, the issuer could satisfy this requirement by keeping records in any accessible format, not necessarily in hard copies.

6.4 Limitation on Disclaimers – Paragraph 6.4(1)(a) of the Instrument prohibits certain disclaimers in technical reports.

These disclaimers are also potentially misleading disclosure because, in certain circumstances, securities legislation provides investors with a statutory right of action against a qualified person for a misrepresentation in disclosure that is based upon the qualified person's technical report. That right of action exists despite any disclaimer to the contrary that appears in the technical report. The securities regulatory authorities will generally require the issuer to have its qualified person remove any blanket disclaimers in a technical report that the issuer uses to support its public offering document.

Item 3 of Form 43-101F1 permits a qualified person to insert a limited disclaimer of responsibility in certain specified circumstances.

PART 7 USE OF FOREIGN CODE

7.1 Use of Foreign Code – Use of Foreign Codes other than Acceptable Foreign Codes – Section 2.2 and Part 7 of the Instrument require an issuer to disclose mineral resources or mineral reserves using either the CIM Definition Standards or an "acceptable foreign code" as defined in the Instrument. If an issuer wishes to announce an acquisition or proposed acquisition of a property that contains estimates of quantity and grade that are not in accordance with the CIM Definition Standards or an acceptable foreign code, the issuer might be able to disclose the estimate as an historical estimate, in compliance with section 2.4 of the Instrument. However, it might be more appropriate for the issuer to disclose the estimate as an exploration target, in compliance with subsection 2.3(2) of the Instrument, if the supporting information for the estimate is not well-documented or if the estimate is not comparable to a category in the CIM Definition Standards or an acceptable foreign code.

PART 8 CERTIFICATES AND CONSENTS OF QUALIFIED PERSONS FOR TECHNICAL REPORTS

8.1 Certificates of Qualified Persons

(1) **Certificates Apply to the Entire Technical Report** – Section 8.1 of the Instrument requires certificates that apply to the entire technical report, including any sections that refer to information in a previously filed technical report. At least one qualified person must take responsibility for each Item required by Form 43-101F1.

(2) **Deficient Certificates** – Certificates must include all the statements required by subsection 8.1(2) of the Instrument. An issuer that files certificates with required statements that are missing or altered to change the intended meaning has not complied with the Instrument.

8.2 Addressed to Issuer – We consider that the technical report is addressed to the issuer if the issuer's name appears on the title page as the party for which the qualified person prepared the technical report. We also consider that the technical report is addressed to the issuer filing the technical report if it is addressed to an issuer that is or will become a wholly-owned subsidiary of the issuer filing the technical report.

8.3 Consents of Qualified Persons

(1) **Consent of Experts** – If the technical report supports disclosure in a prospectus, the qualified person will likely have to provide an expert consent under the prospectus rules (section 8.1 of National Instrument 41-101 *General Prospectus Requirements* and section 4.1 of National Instrument 44-101 *Short Form Prospectus Distributions*), in addition to any consent of qualified person required under the Instrument.

(2) **Deficient Consents –** Consents must include all the statements required by subsection 8.3(1) of the Instrument. An issuer that files consents with required statements that are missing or altered to change the intended meaning has not complied with the Instrument. Appendix B to the Policy provides an example of an acceptable consent of a qualified person.

(3) **Modified Consents under Subsection 8.3(2**) – Subsection 8.3(1) of the Instrument requires the qualified person to identify and read the disclosure that the technical report supports and certify that the disclosure accurately represents the information in the technical report. We recognize that an issuer can become a reporting issuer in a jurisdiction of Canada without the requirement to file a disclosure document listed in subsection 4.2(1) of the Instrument. In these cases, the issuer has the option of filing a modified consent under subsection 8.3(2) of the Instrument that excludes the statements in paragraphs 8.3(1)(b), (c) and (d).

(4) **Filing of Full Consent Required –** If an issuer files a modified consent under subsection 8.3(2) of the Instrument, it must still file a full consent the next time it files a disclosure document that would normally trigger the filing of a technical report under subsection 4.2(1) of the Instrument. This requirement is set out in subsection 8.3(3) of the Instrument.

(5) **Filing of Consent for Technical Reports Not Required by the Instrument –** Where an issuer files a technical report voluntarily or as a requirement of a Canadian stock exchange, and the filing is not also required under the Instrument, the report is not a "technical report" subject to the consent requirements under subsection 8.3(1) of the Instrument. Therefore, when the issuer subsequently files a disclosure document that would normally trigger the filing of a technical report under subsection 4.2(1) of the Instrument, the issuer must file the consents of qualified persons in accordance with subsection 8.3(1).

If an issuer files a Filing Statement or other prospectus-level disclosure document with a Canadian stock exchange, and the filing is not also required under the Instrument, the issuer may choose or be required by the stock exchange to file a full consent that includes paragraphs 8.3(1)(b), (c) and (d) of the Instrument as they relate to the Filing Statement or other disclosure document.

PART 9 EXEMPTIONS

9.2 Exemptions for Royalty or Similar Interests

(1) **Royalty or Similar Interest** – We consider a "royalty or similar interest" to include a gross overriding royalty, net smelter return, net profit interest, free carried interest, and a product tonnage royalty. We also consider a "royalty or similar interest" to include an interest in a revenue or commodity stream from a proposed or current mining operation, such as the right to purchase certain commodities produced from the operation.

(2) **Limitation on Exemptions** – The term "royalty or similar interest" does not include a participating or carried interest. Therefore, these exemptions do not apply where the issuer also has a participating or carried interest in the property or the mining operation, either direct or indirect.

(3) **Non-Reporting Subsidiaries Included** – Properties indirectly owned by an owner or operator that is a reporting issuer in a jurisdiction of Canada, through a subsidiary that is not a reporting issuer, would satisfy the condition of subparagraph 9.2(1)(a)(i) of the Instrument.

(4) **Consideration of Liability** – Holders of royalty or similar interests relying on the exemption in subsection 9.2(1) of the Instrument should consider, in the absence of a technical report of the royalty holder, who will be liable under applicable securities legislation for any misrepresentations in the royalty holder's scientific or technical information.

Appendix A
Accepted Foreign Associations and Membership Designations

Foreign Association	Membership Designation
American Institute of Professional Geologists (AIPG)	Certified Professional Geologist (CPG)
The Society for Mining, Metallurgy and Exploration, Inc. (SME)	Registered Member
Mining and Metallurgical Society of America (MMSA)	Qualified Professional (QP)
Any state in the United States of America	Licensed or certified as a professional engineer
European Federation of Geologists (EFG)	European Geologist (EurGeol)
Institute of Geologists of Ireland (IGI)	Professional Member (PGeo)
Institute of Materials, Minerals and Mining (IMMM)	Professional Member (MIMMM), Fellow (FIMMM), Chartered Scientist (CSi MIMMM), or Chartered Engineer (CEng MIMMM)
Geological Society of London (GSL)	Chartered Geologist (CGeol)
Australasian Institute of Mining and Metallurgy (AusIMM)	Fellow (FAusIMM) or Chartered Professional Member or Fellow [MAusIMM (CP), FAusIMM (CP)]
Australian Institute of Geoscientists (AIG)	Member (MAIG), Fellow (FAIG) or Registered Professional Geoscientist Member or Fellow (MAIG RPGeo, FAIG RPGeo)
Southern African Institute of Mining and Metallurgy (SAIMM)	Fellow (FSAIMM)
South African Council for Natural Scientific Professions (SACNASP)	Professional Natural Scientist (Pr.Sci.Nat.)
Engineering Council of South Africa (ECSA)	Professional Engineer (Pr.Eng.) or Professional Certificated Engineer (Pr.Cert.Eng.)
Comisión Calificadora de Competencias en Recursos y Reservas Mineras (Chilean Mining Commission)	Registered Member

Appendix B
Example of Consent of Qualified Person

[QP's Letterhead] or
[Insert name of QP]
[Insert name of QP's company]
[Insert address of QP or QP's company]

CONSENT of QUALIFIED PERSON

I, [name of QP], consent to the public filing of the technical report titled [insert title of report] and dated [insert date of report] (the "Technical Report") by [insert name of issuer filing the report].

I also consent to any extracts from or a summary of the Technical Report in the [insert date and type of disclosure document (i.e. news release, prospectus, AIF, etc.)] of [insert name of issuer making disclosure].

I certify that I have read [date and type of document (i.e. news release, prospectus, AIF, etc.) that the report supports] being filed by [insert name of issuer] and that it fairly and accurately represents the information in the sections of the technical report for which I am responsible.

Dated this [insert date].

_____ [Seal or Stamp]
Signature of Qualified Person

_____
Print name of Qualified Person

AMENDMENTS TO
NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS*

1. National Instrument 44-101 *Short Form Prospectus Distributions* is amended by this Instrument.

2. ***Part 4 is amended by adding the following section:***

***"*4.2.1 Alternative Consent** – (1) Despite subparagraph 4.2(a)(vii), if the expert whose consent is required is a "qualified person" as defined in NI 43-101, the issuer is not required to file the consent of the qualified person if

(a) the qualified person's consent is required in connection with a technical report that was not required to be filed with the preliminary short form prospectus,

(b) the qualified person was employed by a person or company at the date of signing the technical report,

(c) the principal business of the person or company is providing engineering or geoscientific services, and

(d) the issuer files the consent of the person or company.

(2) A consent filed under subsection (1) must be signed by an individual who is an authorized signatory of the person or company and who falls within paragraphs (a), (b), (d) and (e) of the definition of "qualified person" in NI 43-101.***"***

3. This Instrument comes into force on June 30, 2011.

AMENDMENTS TO
FORM 51-102F1 *MANAGEMENT'S DISCUSSION AND ANALYSIS* AND
FORM 51-102F2 *ANNUAL INFORMATION FORM*

1. Form 51-102F1 *Management's Discussion and Analysis* and Form 51-102F2 *Annual Information Form* are amended by this Instrument.

2. ***Form 51-102F1 is amended by repealing paragraph (e) of section 1.4 and substituting the following:***

   "(e) for resource issuers with producing mines or mines under development, identify any milestone, including, without limitation, mine expansion plans, productivity improvements, plans to develop a new deposit, or production decisions, and whether the milestone is based on a technical report filed under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;***"***

3. ***Form 51-102F2 is amended by repealing Instruction (i) to Item 16 Interests of Experts.***

4. This Instrument comes into force on June 30, 2011.

AMENDMENTS TO
NATIONAL INSTRUMENT 45-106 *PROSPECTUS AND REGISTRATION EXEMPTIONS*

1. National Instrument 45-106 *Prospectus and Registration Exemptions* is amended by this Instrument.

2. ***Section 2.9 is amended by repealing subsection (18).***

3. This Instrument comes into force on June 30, 2011.

AMENDMENTS TO
NATIONAL INSTRUMENT 45-101 *RIGHTS OFFERINGS*

1. National Instrument 45-101 *Rights Offerings* is amended by this Instrument.

2. ***Subsection 3.1(1) is amended by repealing item 4 and substituting the following:***

   "4. A copy of the technical reports, certificates, and consents required under National Instrument 43-101 *Standards of Disclosure for Mineral Projects*."

3. This Instrument comes into force on June 30, 2011.

Chapter 6

Request for Comments

6.1.1 Proposed Amendments to NI 31-103 Registration Requirements and Exemptions – Cost Disclosure and Performance Reporting

NOTICE AND REQUEST FOR COMMENT ON PROPOSED AMENDMENTS TO

NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS AND EXEMPTIONS

AND TO

COMPANION POLICY 31-103CP
REGISTRATION REQUIREMENTS AND EXEMPTIONS

COST DISCLOSURE AND PERFORMANCE REPORTING

Introduction

The Canadian Securities Administrators (the CSA or we) are seeking comment on proposals to amend National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103 or the Rule) and Companion Policy 31-103 CP *Registration Requirements and Exemptions* (the Companion Policy). We refer to the Rule and Companion Policy as the "Instrument".

NI 31-103 came into force on September 28, 2009 and introduced a new national registration regime that is harmonized, streamlined and modernized. We published amendments to the Instrument on April 15, 2011 which, subject to approvals, including ministerial approvals, will come into force on July 11, 2011[1].

We are now proposing additional amendments in the context of the Client Relationship Model (CRM) Project, as described in this Notice, which, if adopted, would introduce performance reporting requirements and enhance existing cost disclosure requirements in the Rule.

The proposed amendments to the Rule are in Appendix A to this Notice. The proposed amendments are further to those in the amended Instrument published on April 15, 2011. A blackline version of the Rule, showing the proposed changes to the amended Rule is in Appendix B to this Notice. A blackline version of the Companion Policy, showing the proposed changes to the amended Companion Policy is in Appendix C to this Notice.

The comment period ends on **September 23, 2011**.

Background

The CSA, and the Investment Industry Regulatory Organization of Canada (IIROC) and the Mutual Fund Dealers Association of Canada (MFDA) (together referred to as the self-regulatory organizations or SROs), are working to develop requirements in a number of areas related to a client's relationship with a registrant. This initiative is referred to as the CRM Project. As part of this work, the CSA has already developed requirements relating to:

- relationship disclosure information delivered to clients at account opening
- comprehensive conflicts of interest requirements

These requirements were included in the Rule when it came into force.

The amendments outlined in this Notice relate to the remaining elements of CRM, specifically:

- disclosure of charges related to a client's account and securities transactions

[1] After the amendments come into force, NI 31-103 will be re-named "*Registration Requirements, Exemptions And Ongoing Registrant Obligations*".

- account performance reporting

Contents of this Notice

This Notice gives an overview of the proposed cost disclosure and performance reporting amendments to the Instrument. It is organized into the following sections:

1. Purpose of the proposed amendments and impact on investors
2. Investor research and industry consultations
3. Summary of the proposed amendments to the Instrument
   A. Disclosure of charges
   B. Performance reporting
4. Continuing work on what securities should be included in reporting
5. Transition
6. Impact on SRO members
7. Authority for the proposed amendments
8. Alternatives considered
9. Anticipated costs and benefits
10. Unpublished materials
11. Request for comments
12. Where to find more information

This Notice also contains the following appendices:

- Appendix A – draft amending instrument to NI 31-103
- Appendix B – blackline version of proposed amendments to NI 31-103
- Appendix C – blackline version of proposed amendments to Companion Policy

1. Purpose of the proposed amendments and impact on investors

The purpose of the proposed amendments is to ensure that clients of all dealers and advisers (registrants), whether or not the registrant is a member of an SRO, receive clear and complete disclosure of all charges associated with the products and services they receive, and meaningful reporting on how their accounts perform.

We think that this is a significant investor protection initiative since we are of the view that investors want this type of information and should be entitled to receive it. Many investors do not understand, or are not aware of, all of the charges associated with their investment products and the services they receive. These charges are often buried in the cost of the product or in the prospectus, or are only mentioned briefly at the time of account opening.

The proposed amendments are intended to provide investors with key information about their account and product-related charges and the compensation received by registrants. This information would be provided at relevant times, such as at account opening, at the time a charge is incurred and on an annual basis.

Similarly, many investors do not receive any information about how their account is performing. If they do, the information is often complex and difficult to understand. We expect that providing investors with clear and meaningful account performance reporting will assist them in evaluating how well their account is doing and provide them with the opportunity to make more informed decisions about meeting their investment goals and objectives.

If adopted, the proposed amendments will result in investors receiving additional reporting from their registrant:

- a new annual summary of all account-related and product charges, and other compensation received by the registered firm
- the original cost of each security added to account statements
- annual account performance reporting

These reporting proposals are outlined in detail in section 3 of this Notice.

2. Investor research and industry consultations

To assist us in developing the proposed amendments, we sought feedback from investors to assess and evaluate their understanding and expectations relating to account charges and performance reporting. We also sought feedback from industry participants on current performance reporting practices, and the costs and benefits of providing additional disclosure in the areas of charges and performance reporting. We thank everyone who provided feedback during the research and consultation process. We also appreciate the input provided by the SROs during the development of the proposals.

Investor research

In July 2010, we surveyed approximately 2,000 investors to learn more about their understanding and expectations relating to charges and disclosure, and performance measures and reporting. The report on this survey, *Report: Performance Reporting and Cost Disclosure*, prepared by The Brondesbury Group is or will be available on the websites of CSA jurisdictions (see section 12 of this Notice, Where to find more information).

We learned from the investor survey that:

- most investors do not have the information they need to make an informed judgment about their account
- showing information in technical terms is often the same as not showing it at all because investors will tend to ignore complex data or terminology that they don't understand
- it cannot be assumed that investment and performance terms are well understood by investors
- regardless of the amount invested, information provided in a simple fashion is desired and understood by most investors
- more detailed reporting is of far greater interest to investors than more frequent reporting

The investor research provided us with useful information on the type of information investors want to receive from their dealers and advisers. The research also identified areas where investors need more guidance or disclosure. We considered all of this information in developing our proposals.

Industry consultations

We also conducted industry consultations with dealers and advisers to gain insight into current performance reporting practices, and to identify issues and concerns with providing performance information.

We learned that many registrants already provide some or all of the information required in the proposed amendments to their clients or certain groups of their clients. However, some raised concerns about the potential costs, time and resources that would be required to prepare performance information, especially if systems need to be modified.

In response to these concerns, we have provided for a phased introduction of the proposed new requirements. We believe that the potential benefits of the performance reporting proposals merit the incremental work that registrants would need to undertake to implement them.

Registrants also had concerns about the complexity of certain performance reporting information and whether clients would even comprehend or use this information. We have learned that investors want this type of information and can find it useful if it is communicated in a clear and understandable manner.

Document testing of a sample performance report

In conjunction with preparing the amendments to the Instrument, we developed a sample performance report that reflected the account performance reporting proposals. This document was tested on a one-on-one basis with investors, dealers and advisers to obtain reactions on its usefulness, clarity and overall appeal. The report *Canadian Securities Administrators Performance Report Testing* prepared by Allen Research Corporation is or will be available on the websites of CSA jurisdictions (see section 12 of this Notice, Where to find more information).

The research report indicates that the sample performance report was well received by the investors and registrants who participated in the testing. The investors described it as clearly written and offering them some information that they do not currently receive. Many of the investors preferred to have performance information presented using a combination of text and visual tools, such as tables, charts or graphs. Registrants also reacted positively to the sample performance report, but requested some modifications based on the types of clients or investment products that they deal with.

The research report recommends changes to the sample performance report based on the feedback received. After reviewing the research report, we made changes to clarify the information in the document and to better reflect the type of information that investors would find useful and meaningful. The revised sample performance report is included in proposed Appendix D of the Companion Policy.

While we do not intend to prescribe a form in the Rule for presenting performance information, we expect dealers and advisers to present this information in a clear and meaningful manner. This includes a requirement to use a combination of text and tables, charts or graphs. We encourage registrants that are already providing additional performance information to continue to do so.

Further research

In section 4 of this Notice, we discuss our plans for further research on clients' understanding and expectations with respect to account reporting.

3. Summary of the proposed amendments to the Instrument

The proposed amendments are intended to materially improve investor protection and would:

- enhance the current disclosure of charges in the Rule related to the operation of an account, and the making, holding and selling of investments
- enhance the current disclosure of the compensation received by a registered firm, particularly relating to charges such as trailing commissions and deferred sales charges, which are not always well understood by investors
- provide guidance in the Companion Policy on inappropriate switch transactions and the resulting compensation received by registrants, which may not be as transparent as other types of charges
- add a requirement to include information on the original cost of securities in the account statement
- add new account performance reporting requirements that would assist investors in determining how their account is performing

A. Disclosure of charges

We propose to enhance the requirements for the disclosure of charges at account opening for all accounts. We propose also to add new requirements for the ongoing disclosure of charges, both before accepting a client's order for a trade in an account where the registrant does not have discretionary authority (non-managed account), and annually for all types of accounts.

Relationship disclosure information

We are proposing in section 14.2 [*relationship disclosure information*] to replace the term *costs* with the term *charges* to avoid confusing the charges associated with the operation of an account or executing transactions with the actual purchase cost of a security.

We are also proposing some clarifications of the expectations for relationship disclosure information that is required to be provided under this section.

Pre-trade transaction charge disclosure

We propose requiring registered firms to provide specific disclosure of the charges a client with a non-managed account would have to pay when purchasing or selling a security prior to the registrant accepting the client's order.

Annual disclosure of charges

We propose requiring registered firms to provide each client with an annual summary of all charges incurred by the client and all the compensation received by the registered firm that relates to the client's account.

In addition, registrants would be required to disclose the nature and amount of compensation received from third parties, such as trailing commissions and referral fees, that were generated as a result of the client's account. Registrants would also have to disclose whether mutual fund holdings could be subject to a deferred sales charge.

Most investors do not currently receive personalized information on certain fees such as trailing commissions, deferred sales charges and referral fees and consequently, may have little understanding of these terms. We acknowledge that some information about these charges must be disclosed in the simplified prospectus for mutual funds. However, research indicates that many investors do not find the prospectus to be an accessible source of information. National Instrument 81-101 *Mutual Fund Prospectus Disclosure* contains the requirements to produce and file the Fund Facts document which was created in response to this concern, but it only contains disclosure on mutual fund charges. By providing clients with consolidated annual disclosure of all charges, the proposed requirements should assist in informing investors and raising awareness of how much their investments are actually costing them.

B. Performance reporting

Cost information

We propose requiring registrants to include original cost information for each security position in the account statement. This information should assist investors in assessing how well individual securities are performing by comparing their original cost to their current market value.

Issue for comment

We have considered the option of permitting the use of tax cost (book value) as an alternative to original cost. We invite comments on the benefits and constraints of each approach to cost reporting, in particular as they relate to providing meaningful information to investors and their usefulness as a comparator to market value for assessing performance.

We have also added guidance in the Companion Policy on the determination of market value.

Issue for comment

Is the guidance provided on determining the market value of securities in section 14.14 [*client statements*] of the Companion Policy useful and sufficient? Please indicate if there is additional or different guidance needed. We are particularly interested in your comments on the guidance related to the valuation of exempt or illiquid securities where there are no quoted values available.

Performance reports

We propose adding a new section 14.15 [*performance reports*] which would require firms to provide clients with account performance reporting on an annual basis. The content of the performance reports would be set out in a new section 14.16. This information would be provided as part of, or together with, the account statement.

Issue for comment

We acknowledge that there are unique features to group plans offered by scholarship plan dealers (group scholarship plans). We invite comments on whether the proposed account performance reporting requirements should apply to accounts invested in group scholarship plans or what other types of performance reporting would be useful to clients of group scholarship plans in lieu of the proposals outlined in the Rule.

The account performance reporting proposal includes the following components:

(a) Net amount invested

This is the actual dollars invested by the client and allows clients to assess how well the account has performed by comparing their investment to the market value of the account.

(b) Change in value

Clients would be provided with the change in the value of their account over the past 12- month period and also since the inception of the account. For example, the change in the value of the account since inception is the difference between actual dollars invested in the account and the market value of the account. It tells investors how much money they have actually made or lost in dollar terms.

Registered firms would be permitted to break out the change in value figure into more detail as described in the Companion Policy. However, the change in value would not be required to include realized capital gains and losses, unless the realized

gains have been reinvested into the account. Clients should continue to receive this information separately for tax reporting purposes.

(c) Percentage returns

Dealers and advisers would be required to provide clients with annualized compound percentage returns of their account for specified time periods.

(d) Use of benchmarks

As part of the relationship disclosure information delivered to clients at account opening under section 14.2 [*relationship disclosure information*], registered firms would be required to provide each client with a general description of benchmarks, the factors that should be considered when using them and whether the firm offers any options for benchmark reporting to clients. This information is intended to make investors generally aware of benchmarks and their uses and limitations, and to ensure that investors are aware of any benchmark information that the firm makes available.

In addition, registered firms would be permitted to provide benchmark return information as part of their account performance reporting in circumstances where the firm and the client have agreed in writing to the use of benchmarks [proposed section 14.17 [*benchmark information*]].

We do not propose to require any further delivery of benchmark information in the Rule due to the mixed feedback we received during the document testing of the sample performance report. As part of that testing, we explored whether the use of three prescribed and broad based benchmarks would be useful to investors. While some investors understood and wanted this information, the research report indicated that the use of these benchmarks was not well understood by most of the investors. Further, many investors had difficulty comparing the benchmarks to their own account, or determining whether the benchmarks were relevant for comparison purposes.

We recognize that the use of benchmark information has its challenges. Guidance on the use of benchmarks that are meaningful and not misleading has been added to the Companion Policy. In general, a meaningful and relevant benchmark should assist an investor in measuring:

- the value added to an investor's account by a particular dealer or adviser in exchange for the fees paid by the investor
- the relative rewards and advantages of investing in the manner chosen as opposed to a passive alternative
- whether the investor's performance return goals are realistic compared to the market's returns

4. Continuing work on what securities should be included in reporting

In the June 25, 2010 Notice and request for comments on proposed amendments to NI 31-103, we sought feedback on eight questions related to what securities should be reported in account statements and related issues. We thank everyone who submitted comments.

We have not proposed any changes to section 14.14 [*client statements*] of the Rule in this publication related to this feedback.

Additional research

We have determined that more work needs to be done on these issues. We intend to:

- conduct further research with investors on their understanding and expectations about reporting on their security holdings
- consult further with industry participants to better understand the risks, benefits and constraints of reporting on clients' security holdings and the manner in which they could be disclosed, such as in the account statement or in another document. For example, in the context of securities sold by exempt market dealers, the type of reporting required may depend on whether the client's securities are held on the books of the registrant or the issuer
- revisit comments and feedback already received

After we have the benefit of this information, we may publish additional proposals for comment. In any event, we will communicate the outcome of this work.

5. Transition

Some registered dealers and advisers would require time to adjust their reporting practices in order to meet the requirements for disclosure of charges and performance reporting if the amendments are adopted. In addition, we recognize that certain information required to be reported under the proposed amendments is not currently available. Therefore, we have proposed the following transitional provisions:

- information will only be required to be reported on a go-forward basis so that firms will not be required to retrieve data for past periods unless it is already available
- a phased introduction period of two years following implementation of the amendments for most of the new requirements

6. Impact on SRO members

We worked with both SROs to harmonize the Instrument and SRO rules relating to disclosure of charges and performance reporting. To the extent that the SRO rules differ materially from the Rule if the amendments are adopted, each SRO will propose additional rule amendments to its cost disclosure and performance reporting requirements. These will be subject to final approval by applicable CSA members. Subject to approval, subsections 14.2(2) to (6) [*relationship disclosure information*] and sections 14.15 [*performance reports*], 14.16 [*content of performance reports*] and 14.17 [*benchmark information*] would not apply where the SROs have rules providing for substantially similar requirements.

On January 7, 2011, IIROC published for a third comment period proposed amendments to its Dealer Member Rules to implement the core principles of CRM (IIROC Notice 11-0005). The comment period ended on March 8, 2011, and the proposed amendments are currently under review.

The MFDA has also published its proposed amendments relating to CRM, which were approved by its members at its December 1, 2010 annual general meeting. The amendments will come into force subject to the prescribed transition periods.

7. Authority for the proposed amendments

In Ontario, the rule making authority for the proposed amendments is in the following paragraphs of subsection 143(1) of the *Securities Act*: 1, 1.1, 2, 3, 5, 7, 8, and 8.1.

8. Alternatives considered

We did not consider alternatives to the proposed amendments.

9. Anticipated costs and benefits

The anticipated investor protection benefits of the proposed amendments are discussed in section 1 of this Notice. We think the potential benefits to investors outweigh the costs to registered dealers and advisers of providing additional disclosure to their clients.

10. Unpublished materials

We have not relied on any significant unpublished study, report, or other written materials in preparing the proposed amendments.

11. Request for comments

We welcome your feedback on the proposed amendments. We need to continue our open dialogue with all stakeholders if we are to achieve our regulatory objectives while balancing the interests of investors and registrants.

All comments will be posted on the Ontario Securities Commission website at www.osc.gov.on.ca and on the Autorité des marchés financiers website at www.lautorite.qc.ca.

All comments will be made publicly available.

We cannot keep submissions confidential because securities legislation in certain provinces requires publication of a summary of the written comments received during the comment period. Some of your personal information, such as your e-mail and residential or business address, may appear on the websites. It is important that you state on whose behalf you are making the submission.

Thank you in advance for your comments.

Deadline for comments

Your comments must be submitted in writing by September 23, 2011.

Send your comments electronically in Word, Windows format.

Where to send your comments

Please address your comments to all CSA members, as follows:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Superintendent of Securities, Prince Edward Island
Nova Scotia Securities Commission
Superintendent of Securities, Newfoundland and Labrador
Superintendent of Securities, Northwest Territories
Superintendent of Securities, Yukon Territory
Superintendent of Securities, Nunavut

Please send your comments **only** to the addresses below. Your comments will be forwarded to the remaining CSA member jurisdictions.

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, ON M5H 3S8
Fax: 416-593-2318
E-mail: jstevenson@osc.gov.on.ca

Me Anne-Marie Beaudoin
Corporate Secretary
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal (Québec) H4Z 1G3
Fax : 514-864-6381
E-mail: consultation-en-cours@lautorite.qc.ca

Questions

Please refer your questions to any of:

Christopher Jepson
Senior Legal Counsel
Compliance and Registrant Regulation
Ontario Securities Commission
Tel: 416-593-2379
cjepson@osc.gov.on.ca

Noulla Antoniou
Senior Accountant
Compliance and Registrant Regulation
Ontario Securities Commission
Tel: 416-595-8920
nantoniou@osc.gov.on.ca

Sophie Jean
Analyste expert en réglementation – pratiques de distribution
Autorité des marchés financiers
Tel : 514-395-0337, ext. 4786
Toll-free: 1-877-525-0337
sophie.jean@lautorite.qc.ca

Sarah Corrigall-Brown
Senior Legal Counsel
Capital Markets Regulation
British Columbia Securities Commission
Tel: 604-899-6738
1-800-373-6393
scorrigall-brown@bcsc.bc.ca

Navdeep Gill
Legal Counsel, Market Regulation
Alberta Securities Commission
Tel: 403-355-9043
navdeep.gill@asc.ca

Curtis Brezinski
Acting Deputy Director, Legal and Registration
Saskatchewan Financial Services Commission
Tel: 306-787-5876
curtis.brezinski@gov.sk.ca

Chris Besko
Legal Counsel, Deputy Director
The Manitoba Securities Commission
Tel: 204-945-2561
Toll Free (Manitoba only) 1-800-655-5244
chris.besko@gov.mb.ca

Brian W. Murphy
Deputy Director, Capital Markets
Nova Scotia Securities Commission
Tel: 902-424-4592
murphybw@gov.ns.ca

Jason L. Alcorn
Legal Counsel
New Brunswick Securities Commission
Tel: 506-643-7857
jason.alcorn@nbsc-cvmnb.ca

Katharine Tummon
Superintendent of Securities
Prince Edward Island Securities Office
Tel: 902-368-4542
kptummon@gov.pe.ca

Craig Whalen
Manager of Licensing, Registration and Compliance
Office of the Superintendent of Securities
Government of Newfoundland and Labrador
Tel: 709-729-5661
cwhalen@gov.nl.ca

Louis Arki
Director, Legal Registries
Department of Justice, Government of Nunavut
Tel: 867-975-6587
larki@gov.nu.ca

Donn MacDougall
Deputy Superintendent, Legal & Enforcement
Office of the Superintendent of Securities
Government of the Northwest Territories
Tel: 867-920-8984
donald.macdougall@gov.nt.ca

Frederik J. Pretorius
Manager Corporate Affairs (C-6)
Department of Community Services
Government of Yukon
Tel: 867-667-5225
Fred.Pretorius@gov.yk.ca

12. Where to find more information

The proposed amendments and the research reports are or will be available on websites of CSA members, including:

www.lautorite.qc.ca
www.albertasecurities.com
www.bcsc.bc.ca
www.msc.gov.mb.ca
www.gov.ns.ca/nssc
www.nbsc-cvmnb.ca
www.sfsc.gov.sk.ca

June 22, 2011

APPENDIX A

PROPOSED AMENDMENTS TO NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS AND EXEMPTIONS

The proposed amendments in sections 3(g), 7, 8(a), 9(c), 10, 12, 13, 14 and 17 of the amending instrument below are proposed to come into force at dates later than the implementation date for the other proposed amendments. Please refer to section 18. This text box does not form part of the amending instrument.

1. ***National Instrument 31-103 Registration Requirements and Exemptions is amended by this Instrument.***

2. ***Section 1.1 is amended by***

(a) ***adding the following after the definition of "***Canadian Financial Institution***":***

"charges" include operating charges and transaction charges;

"compound percentage returns" means cumulative gains and losses over time expressed as a percentage;

(b) ***adding the following after the definition of "***mutual fund dealer***":***

"net amount invested" means the sum of all contributions of cash or securities into an account, not including income generated by investments in the account if that income is reinvested, less all withdrawals of cash or securities out of the account, except charges paid out of the account;

"operating charges" means any amounts charged in respect of the operation of an investment account of a client, including service charges, administration fees, safekeeping fees, management fees, performance fees;

"original cost" means the total amount paid for a security, including any commissions or other charges related to purchasing the security; ***and***

(c) ***adding the following after the definition of "***subsidiary***":***

"transaction charges" means any amounts charged in respect of a purchase or sale of securities, including commissions, sales charges, transaction fees;

3. ***Subsection 14.2 (2) is amended***

(a) ***in paragraph (b) by replacing "***discussion that identifies***" with "***general description of***" and by replacing "***a client***" with "***the client***";***

(b) ***in paragraph (c) by adding "***general***" before "***description***";***

(c) ***by replacing paragraph (f) with the following:***

(f) disclosure of all operating charges the client may pay related to the account;

(d) ***by replacing paragraph (g) with the following:***

(g) a general description of the types of transaction charges the client may pay;

(e) ***in paragraph (h) by adding "***general***" before "***description***", by replacing "***the compensation***" with "***any compensation***" and by adding "***by any other party***" before "***in relation to***";***

(f) ***in paragraph (j) by adding "***[*dispute resolution service*]***" after "***13.16***" and replacing "***registered firm's expense" ***with*** "firm's expense***";***

(g) ***in paragraph (l) by replacing "." with ";" at the end of the paragraph; and***

(h) ***by adding the following after paragraph (l):***

(m) a general description of investment performance benchmarks and the factors that should be considered by a client when comparing actual returns in the client's account to benchmark returns, and any options for benchmark information that are made available to clients by the registered firm.

4. ***Subsection 14.2(3) is amended:***

(a) ***by deleting the words "***to a client***" after "***must deliver***"; and***

(b) ***by adding "***, paragraphs (2)(a), 2(c) to (k) and (2)(m) to the client in writing, and the information in paragraphs 2(b) and 2(l) either orally or in writing,***" after the words "***subsection (1)***".***

5. ***Section 14.2 is amended by adding the following after subsection (3):***

(3.1) Before a registered firm makes a recommendation to or accepts an instruction from a client to purchase or sell a security in an account other than a managed account, the firm must disclose to the client

(a) the charges the client will be required to pay in respect of the purchase or sale, and

(b) in the case of a purchase, any deferred charges that the client might be required to pay on the subsequent sale of the security, or any trailing commissions that the firm may receive in respect of the security.

6. ***Subsection 14.2(4) is amended by deleting "***to***" after "***significant change***" and adding*** "in respect of***" before "***information***".***

7. ***Section 14.2 is amended by adding the following after subsection (4):***

(4.1) A registered firm must deliver the following information to a client every 12 months with or in the account statement that is accompanied by or includes the report containing the account performance information required under section14.15 [*account performance reporting*]:

(a) the registered firm's current operating charges which may be applicable to the account;

(b) the total amount of each type of operating charge related to the account paid by the client during the 12 month period covered by the account statement, and the aggregate amount of such charges;

(c) the total amount of each type of transaction charge related to securities in the account paid by the client during the 12 month period covered by the account statement, and the aggregate amount of such charges;

(d) if the price paid or received by the client in respect of purchases or sales of fixed income securities in the account during the 12 month period covered by the account statement included any dealer compensation, and the compensation was not disclosed to the client, the following notification or a notification substantially similar to the following:

"For some of the fixed income securities purchased or sold in your account during the period covered by this report, dealer charges were added to the price in the case of a purchase or deducted from the price in the case of a sale";

(e) the aggregate amount of any fees paid to the registered firm by any person or company in relation to the client during the 12 month period covered by the account statement;

(f) an identification of any securities in the account that may be subject to deferred sales charges;

(g) if the registered firm received trailing commissions on investment funds held by the client during the 12 month period covered by the account statement, the following notification or a notification substantially similar to the following:

"We received $ ● in trailing commissions on the investment funds you held during the period.

Investment funds pay managers a fee for managing their funds. The managers pay us ongoing trailing commissions from that management fee for the service and advice we provide you. The amount of the trailing commissions depends on the sales charge option you chose when you

purchased the fund. As is the case with any investment fund expense, trailing commissions affect you because they reduce the amount of the fund's return to you."

8. ***Subsection 14.12(1) is amended***

(a) by adding the following after paragraph (b):

(b.1) in the case of a purchase of a fixed income security, the security's yield;

(b) in paragraph (c) by adding ", deferred sales charge***" after "***service charge***";***

(c) in paragraph (h) by replacing "registrant***" with "***registered dealer***" wherever it occurs and by replacing "***,***" with "***;***" at the end of the paragraph***; ***and***

(d) by adding the following after paragraph (h):

(i) if the price paid or received by the client in respect of the purchase or sale of a fixed income security included any dealer compensation, and the compensation is not otherwise disclosed to the client in the trade confirmation, the following notification or a notification substantially similar to the following:

(i) *"Dealer charges were added to the price of this security"* in the case of a purchase, or

(ii) *"Dealer charges were deducted from the price of this security"* in the case of a sale.

9. ***Section 14.14 is amended***

(a) in subsections (4) and (5) by replacing "A statement***" with "***An account statement***";***

(b) by replacing paragraph (e) of subsection (5) with the following:

(e) the total market value of all securities and cash in the account.

(c) by adding the following after subsection (5):

(5.1) If a registered firm cannot determine the market value of a security, the firm must disclose that fact in the account statement and exclude the security from the calculation in paragraph 14.14(5)(e). ***and***

(d) by adding the following before subsection (6):

(5.2) An account statement delivered under subsection (1), (2) or, (3) or (3.1) must include the following:

(a) for each security position opened in the account after [implementation date], the original cost of the position presented on either an average cost per unit or share basis, or on an aggregate basis, unless the security position was transferred from an account of another registered firm and the original cost of the transferred security position is not available or is known to be inaccurate, in which case the registered firm may

(i) use the market value of the security position as at the date of its transfer if that fact is disclosed to the client in the account statement, or

(ii) if the market value of the security position as at the date of its transfer cannot be determined, disclose that fact in the account statement;

(b) for each security position opened in the account before [implementation date], the original cost of the position presented on either an average cost per unit or share basis, or on an aggregate basis, unless original cost information is not available or is known to be inaccurate, in which case the registered firm may

(i) use the market value of the security position as at [implementation date] or an earlier date if the same date and value is used for all clients of the firm holding that security and that fact is disclosed to the client in the account statement, or

(ii) if the market value of the security position as of [implementation date] cannot be determined, disclose that fact in the account statement.

10. ***The following is added after section 14.14:***

14.15 Performance reports

(1) A registered firm must deliver a report containing account performance information to a client every 12 months with or in an account statement.

(2) This section does not apply to an account that has existed for less than a 12 month period.

(3) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.

(4) This section does not apply to an investment fund manager in respect of its activities as an investment fund manager.

(5) This section does not apply to a registered firm in respect of a permitted client if the permitted client has waived, in writing, the requirements under this section.

11. ***The following is added after section 14.15:***

14.16 Content of performance reports

(1) The information delivered under section 14.15 must include all of the following:

(a) the net amount invested in the client's account or, if the account was opened before [implementation date] and the net amount invested up to [implementation date] is not available, the registered firm may use the market value of all securities and cash in the account as of [implementation date] plus the net amount invested since [implementation date] if the firm discloses in the performance report that it is using market value instead of net amount invested for the period prior to [implementation date];

(b) the total market value of all securities and cash in the account as at the end of the 12 month period preceding the date of the performance report;

(c) the change in value of the client's account during the 12 month period preceding the date of the performance report, calculated by subtracting the total of the market value of all securities and cash in the account at the beginning of the 12 month period plus the net amount invested in the account during the 12 month period, from the market value of all securities and cash in the account as of the end of the 12 month period;

(d) the change in value of the client's account since the account was opened, calculated by comparing the total market value of all securities and cash in the account as of the end of the 12 month period preceding the date of the performance report to

(i) the net amount invested in the account since the account was opened, or

(ii) if the account was opened before [implementation date] and the actual amount invested is not available, the market value of all securities and cash in the account as of [the implementation date] plus the net amount invested since [implementation date];

(e) a definition of "net amount invested" in the document where the information required under paragraphs (a) to (d) is presented;

(f) annualized compound percentage returns for the client's account calculated net of fees, using one of either a time-weighted or dollar-weighted method;

(g) notice of the calculation method used under paragraph (f) in the document where the information required in paragraph (f) is presented;

(h) a definition of "compound percentage returns" in the document where the information required in paragraph (f) is presented.

(2) The information delivered under section 14.15 must be presented using both text and tables, charts or graphs, and must be accompanied by notes in the performance report explaining

(a) the content of the performance report and how a client can use the information to assess the performance of the client's investments,

(b) the changing value of the client's investments as reflected in the information in the performance report.

(3) The information delivered for the purposes of paragraph 14.16(1)(f) must be provided for the following periods ending on the date of the report:

(a) the past year;

(b) the period since the account was opened if the account has been open for more than one year before the date of the report. If the account was opened before [implementation date] and the annualized compound percentage return for the period prior to [implementation date] is not available, the period since [implementation date].

12. ***Subsection 14.16(3) is replaced with:***

(3) The information delivered for the purposes of paragraph 14.16(1)(f) must be provided for each of the following periods ending on the date of the report:

(a) the past year;

(b) the past three years;

(c) the period since the account was opened if the account has been open for more than one year before the date of the report. If the account was opened before [implementation date] and the annualized compound percentage return for the period prior to [implementation date] is not available, the period since [implementation date].

13. ***Subsection 14.16(3) is replaced with:***

(3) The information delivered for the purposes of paragraph 14.16(1)(f) must be provided for each of the following periods ending on the date of the report:

(a) the past year;

(b) the past three years;

(c) the past five years;

(d) the period since the account was opened if the account has been open for more than one year before the date of the report. If the account was opened before [implementation date] and the annualized compound percentage return for the period prior to [implementation date] is not available, the period since [implementation date].

14. ***Subsection 14.16(3) is replaced with:***

(3) The information delivered for the purposes of paragraph 14.16(1)(f) must be provided for each of the following periods ending on the date of the report:

(a) the past year;

(b) the past three years;

(c) the past five years;

(d) the past ten years;

(e) the period since the account was opened if the account has been open for more than one year before the date of the report. If the account was opened before [implementation date] and the annualized compound percentage return for the period prior to [implementation date] is not available, the period since [implementation date].

15. ***Section 14.16 is amended by adding the following subsection:***

(4) If a registered firm delivers account performance information to a client for a period of less than one year, it must not do so on an annualized basis.

16. ***Section 14.16 is amended by adding the following subsections:***

(5) If market value cannot be determined for a security position in the account, the security position must be assigned a value of zero in the calculation of the information delivered under section 14.15 and the reason for doing so must be disclosed to the client.

(6) If there are no security positions in the account for which market value can be determined, the registered firm is not required to deliver account performance information to the client.

(7) If the registered firm changes the calculation method used under paragraph 14.16(1)(f), it must, in the performance report where the change is first used, provide notice of the change and explain the reasons for it.

17. ***The following is added after section 14.16:***

14.17 Benchmark Information - Before a registered firm delivers investment performance benchmark information to a client, it must set out the benchmarks it will provide in a written agreement between the registered firm and the client.

18. (a) Subject to paragraph (b), this Instrument comes into force on * , 2011; and

(b) The provisions of this Instrument listed in column 1 of the following table come into force as set out in column 2 of the table:

1 **Section(s)**	**2** **Effective Date**
3(h)	One year after the implementation date
7, 8(a), 9(c), 10, and 17	Two years after the implementation date
12	Three years after the implementation date
13	Five years after the implementation date
14	Ten years after the implementation date

APPENDIX B

BLACKLINE OF PROPOSED AMENDMENTS TO

NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

This Appendix shows the proposed amendments to NI 31-103 against the relevant portions of the consolidation of NI 31-103 published on April 15, 2011.

1.1 Definitions of terms used throughout this Instrument

….

"charges" include operating charges and transaction charges;

"compound percentage returns" means cumulative gains and losses over time expressed as a percentage;

"net amount invested" means the sum of all contributions of cash or securities into an account, not including income generated by investments in the account if that income is reinvested, less all withdrawals of cash or securities out of the account, except charges paid out of the account;

"operating charges" means any amounts charged in respect of the operation of an investment account of a client, including service charges, administration fees, safekeeping fees, management fees, performance fees;

"original cost" means the total amount paid for a security, including any commissions or other charges related to purchasing the security;

"transaction charges" means any amounts charged in respect of a purchase or sale of securities, including commissions, sales charges, transaction fees;

….

14.2 Relationship disclosure information

(1) A registered firm must deliver to a client all information that a reasonable investor would consider important about the client's relationship with the registrant.

(2) The information required to be delivered under subsection (1) includes all of the following:

(a) a description of the nature or type of the client's account;

(b) a ~~discussion that identifies~~general description of the products or services the registered firm offers to ~~a~~the client;

(c) a general description of the types of risks that a client should consider when making an investment decision;

(d) a description of the risks to a client of using borrowed money to finance a purchase of a security;

(e) a description of the conflicts of interest that the registered firm is required to disclose to a client under securities legislation;

(f) disclosure of all ~~costs to a~~operating charges the client ~~for the operation of an~~may pay related to the account;

(g) a general description of the ~~costs a~~types of transaction charges the client ~~will pay in making, holding and selling investments~~may pay;

(h) a general description of ~~the~~any compensation paid to the registered firm by any other party in relation to the different types of products that a client may purchase through the registered firm;

(i) a description of the content and frequency of reporting for each account or portfolio of a client;

(j) if section 13.16 [*dispute resolution service*] applies to the registered firm, disclosure that independent dispute resolution or mediation services are available at the ~~registered~~ firm's expense, to resolve any dispute that might arise between the client and the firm about any trading or advising activity of the firm or one of its representatives;

(k) a statement that the registered firm has an obligation to assess whether a purchase or sale of a security is suitable for a client prior to executing the transaction or at any other time;

(l) the information a registered firm must collect about the client under section 13.2 [*know your client*];

(m) a general description of investment performance benchmarks and the factors that should be considered by a client when comparing actual returns in the client's account to benchmark returns, and any options for benchmark information that are made available to clients by the registered firm.

(3) A registered firm must deliver ~~to a client~~ the information in subsection (1), paragraphs (2)(a), 2(c) to (k) and 2(m) to the client in writing, and the information in paragraphs (2)(b) and 2(l) either orally or in writing, before the firm first

(a) purchases or sells a security for the client, or

(b) advises the client to purchase, sell or hold a security.

(3.1) Before a registered firm makes a recommendation to or accepts an instruction from a client to purchase or sell a security in an account other than a managed account, the firm must disclose to the client

(a) the charges the client will be required to pay in respect of the purchase or sale, and

(b) in the case of a purchase, any deferred charges that the client might be required to pay on the subsequent sale of the security, or any trailing commissions that the firm may receive in respect of the security.

(4) If there is a significant change ~~to~~in respect of the information delivered to a client under subsection (1), the registered firm must take reasonable steps to notify the client of the change in a timely manner and, if possible, before the firm next

(a) purchases or sells a security for the client, or

(b) advises the client to purchase, sell or hold a security.

(4.1) A registered firm must deliver the following information to a client every 12 months with or in the account statement that is accompanied by or includes the report containing the account performance information required under section14.15 [*account performance reporting*]:

(a) the registered firm's current operating charges which may be applicable to the account;

(b) the total amount of each type of operating charge related to the account paid by the client during the 12 month period covered by the account statement, and the aggregate amount of such charges;

(c) the total amount of each type of transaction charge related to securities in the account paid by the client during the 12 month period covered by the account statement, and the aggregate amount of such charges;

(d) if the price paid or received by the client in respect of purchases or sales of fixed income securities in the account during the 12 month period covered by the account statement included any dealer compensation, and the compensation was not disclosed to the client, the following notification or a notification substantially similar to the following:

"For some of the fixed income securities purchased or sold in your account during the period covered by this report, dealer charges were added to the price in the case of a purchase or deducted from the price in the case of a sale";

(e) the aggregate amount of any fees paid to the registered firm by any person or company in relation to the client during the 12 month period covered by the account statement;

(f) an identification of any securities in the account that may be subject to deferred sales charges;

(g) if the registered firm received trailing commissions on investment funds held by the client during the 12 month period covered by the account statement, the following notification or a notification substantially similar to the following:

"We received $ ● in trailing commissions on the investment funds you held during the period.

Investment funds pay managers a fee for managing their funds. The managers pay us ongoing trailing commissions from that management fee for the service and advice we provide you. The amount of the trailing commissions depends on the sales charge option you chose when you purchased the fund. As is the case with any investment fund expense, trailing commissions affect you because they reduce the amount of the fund's return to you."

(5) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.

(6) This section does not apply to a registrant in respect of a permitted client if

(a) the permitted client has waived, in writing, the requirements under this section, and

(b) the registrant does not act as an adviser in respect of a managed account of the permitted client.

….

14.12 Content and delivery of trade confirmation

(1) A registered dealer that has acted on behalf of a client in connection with a purchase or sale of a security must promptly deliver to the client or, if the client consents in writing, to a registered adviser acting for the client, a written confirmation of the transaction, setting out the following:

(a) the quantity and description of the security purchased or sold;

(b) the price per security paid or received by the client;

(b.1) in the case of a purchase of a fixed income security, the security's yield;

(c) the commission, sales charge, service charge, deferred sales charge and any other amount charged in respect of the transaction;

(d) whether the registered dealer acted as principal or agent;

(e) the date and the name of the marketplace, if any, on which the transaction took place, or if applicable, a statement that the transaction took place on more than one marketplace or over more than one day;

(f) the name of the dealing representative, if any, in the transaction;

(g) the settlement date of the transaction;

(h) if applicable, that the security is a security of the ~~registrant~~registered dealer, a security of a related issuer of the ~~registrant~~registered dealer or, if the transaction occurred during the security's distribution, a security of a connected issuer of the registered dealer~~.~~;

(i) if the price paid or received by the client in respect of the purchase or sale of a fixed income security included any dealer compensation, and the compensation is not otherwise disclosed to the client in the trade confirmation, the following notification or a notification substantially similar to the following:

(i) *"Dealer charges were added to the price of this security"* in the case of a purchase, or

(ii) *"Dealer charges were deducted from the price of this security"* in the case of a sale.

….

14.14 Account statements

….

(4) A~~A~~n account statement delivered under subsection (1), (2), (3)~~,~~ or (3.1) must include all of the following information for each transaction made for the client or security holder during the period covered by the statement:

(a) the date of the transaction;

(b) the type of transaction;

(c) the name of the security;

(d) the number of securities;

(e) the price per security;

(f) the total value of the transaction.

(5) A~~A~~n account statement delivered under subsection (1), (2), (3)~~,~~ or (3.1) must include all of the following information about the client's or security holder's account as at the end of the period for which the statement is made:

(a) the name and quantity of each security in the account;

(b) the market value of each security in the account;

(c) the total market value of each security position in the account;

(d) any cash balance in the account;

(e) the total market value of all ~~cash and~~ securities and cash in the account.

(5.1) If a registered firm cannot determine the market value of a security, the firm must disclose that fact in the account statement and exclude the security from the calculation in paragraph 14.14(5)(e).

(5.2) An account statement delivered under subsection (1), (2) or, (3) or (3.1) must include the following:

(a) for each security position opened in the account after [implementation date], the original cost of the position presented on either an average cost per unit or share basis, or on an aggregate basis, unless the security position was transferred from an account of another registered firm and the original cost of the transferred security position is not available or is known to be inaccurate, in which case the registered firm may

(i) use the market value of the security position as at the date of its transfer if that fact is disclosed to the client in the account statement, or

(ii) if the market value of the security position as at the date of its transfer cannot be determined, disclose that fact in the account statement;

(b) for each security position opened in the account before [implementation date], the original cost of the position presented on either an average cost per unit or share basis, or on an aggregate basis, unless original cost information is not available or is known to be inaccurate, in which case the registered firm may

(i) use the market value of the security position as at [implementation date] or an earlier date if the same date and value is used for all clients of the firm holding that security and that fact is disclosed to the client in the account statement, or

(ii) if the market value of the security position as of [implementation date] cannot be determined, disclose that fact in the account statement.

….

14.15 Performance reports

(1) A registered firm must deliver a report containing account performance information to a client every 12 months with or in an account statement.

(2) This section does not apply to an account that has existed for less than a 12 month period.

(3) This section does not apply if the client is a registered firm, a Canadian financial institution or a Schedule III bank.

(4) This section does not apply to an investment fund manager in respect of its activities as an investment fund manager.

(5) This section does not apply to a registered firm in respect of a permitted client if the permitted client has waived, in writing, the requirements under this section.

14.16 Content of performance reports

(1) The information delivered under section 14.15 must include all of the following:

(a) the net amount invested in the client's account or, if the account was opened before [implementation date] and the net amount invested up to [implementation date] is not available, the registered firm may use the market value of all securities and cash in the account as of [implementation date] plus the net amount invested since [implementation date] if the firm discloses in the performance report that it is using market value instead of net amount invested for the period prior to [implementation date];

(b) the total market value of all securities and cash in the account as at the end of the 12 month period preceding the date of the performance report;

(c) the change in value of the client's account during the 12 month period preceding the date of the performance report, calculated by subtracting the total of the market value of all securities and cash in the account at the beginning of the 12 month period plus the net amount invested in the account during the 12 month period, from the market value of all securities and cash in the account as of the end of the 12 month period;

(d) the change in value of the client's account since the account was opened, calculated by comparing the total market value of all securities and cash in the account as of the end of the 12 month period preceding the date of the performance report to

(i) the net amount invested in the account since the account was opened, or

(ii) if the account was opened before [implementation date] and the actual amount invested is not available, the market value of all securities and cash in the account as of [the implementation date] plus the net amount invested since [implementation date];

(e) a definition of "net amount invested" in the document where the information required under paragraphs (a) to (d) is presented;

(f) annualized compound percentage returns for the client's account calculated net of fees, using one of either a time weighted or dollar weighted method;

(g) notice of the calculation method used under paragraph (f) in the document where the information required in paragraph (f) is presented;

(h) a definition of "compound percentage returns" in the document where the information required in paragraph (f) is presented.

(2) The information delivered under section 14.15 must be presented using both text and tables, charts or graphs, and must be accompanied by notes in the performance report explaining

(a) the content of the performance report and how a client can use the information to assess the performance of the client's investments,

(b) the changing value of the client's investments as reflected in the information in the performance report.

(3) The information delivered for the purposes of paragraph 14.16(1)(f) must be provided for each of the following periods ending on the date of the report:

(a) the past year;

(b) the past three years;

(c) the past five years;

(d) the past ten years;

(e) the period since the account was opened if the account has been open for more than one year before the date of the report. If the account was opened before [implementation date] and the annualized compound percentage return for the period prior to [implementation date] is not available, the period since [implementation date].

(4) If a registered firm delivers account performance information to a client for a period of less than one year, it must not do so on an annualized basis.

(5) If market value cannot be determined for a security position in the account, the security position must be assigned a value of zero in the calculation of the information delivered under subsection 14.15(1) and the reason for doing so must be disclosed to the client.

(6) If there are no security positions in the account for which market value can be determined, the registered firm is not required to deliver account performance information to the client.

(7) If the registered firm changes the calculation method used under paragraph 14.16(1)(f), it must, in the performance report where the change is first used, provide notice of the change and explain the reasons for it.

14.17 Benchmark Information

Before a registered firm delivers investment performance benchmark information to a client, it must set out the benchmarks it will provide in a written agreement between the registered firm and the client.

Coming into force provisions, as provided in the proposed amending instrument in Appendix A:

(1) Except as otherwise provided in this part, these amendments come into force on [implementation date].

(2) Paragraph 14.2(2)(m) *[deliver information about benchmarks]* comes into force on [date that is one year after implementation date].

(3) Subsection 14.2(4.1) *[deliver prescribed information about charges to a client every 12 months]* comes into force on [date that is two years after implementation date].

(4) Paragraph 14.12(1)(b.1) *[yield for fixed income securities]* comes into force on [date that is two years after implementation date].

(5) Subsection 14.14(5.2) *[original cost information]* comes into force on [date that is two years after implementation date].

(6) Subsection 14.15 *[performance report]* comes into force on [date that is two years after implementation date].

(7) Paragraph 14.16(3)(b) *[compound percentage returns for past three years]* comes into force on [date that is three years after implementation date].

(8) Paragraph 14.16(3)(c) *[compound percentage returns for past five years]* comes into force on [date that is five years after implementation date].

(9) Paragraph 14.16(3)(d) *[compound percentage returns for past ten years]* comes into force on [date that is ten years after implementation date].

(10) Subsection 14.17 *[written agreement for any benchmark information provided to the client]* comes into force on [date that is two years after implementation date].

APPENDIX C

PROPOSED AMENDMENTS TO COMPANION POLICY 31-103 CP
REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS

The Canadian Securities Administrators are publishing changes to the Companion Policy for comment. The changes would come into effect on the implementation of the corresponding changes to the Rule.

This Appendix shows the proposed amendments to the Companion Policy against the relevant portions of the consolidation of the Companion Policy published on April 15, 2011.

….

14.2 Relationship disclosure information

Content of relationship disclosure information

There is no prescribed form for the relationship disclosure information required under section 14.2. A registered firm may provide this information in a single document or in separate documents, which together give the client the prescribed information.

We expect, as part of the delivery obligation in subsection 14.2(3), that registered individuals spend sufficient time with clients as part of an in-person or telephone meeting to adequately explain the written documents that are delivered under subsection 14.2(2).

~~Disclosure of costs~~Disclosure of charges

The registered firm's compensation and the charges to a client will vary depending on the type of relationship with the client and the nature of the services and investment products offered.

At account opening, registered firms must provide clients with general information on the charges that the clients may incur and compensation the firms may receive as a result of their business relationship. A registered firm is not expected to provide information on all the types of accounts that it offers and the fees related to these accounts if this is not relevant to the client's situation. Charges include any amounts charged in respect of a transaction or the investment account of a client, such as

- Commissions
- sales charges
- service charges
- management fees
- transaction fees
- performance fees
- compensation received from third parties such as trailing commissions

While general information on the charges is appropriate at account opening, a firm must provide more specific information as to the nature and amount of the actual charges when it provides services or advises on a trade.

Under subsection 14.2(2)~~(g)~~, registered firms must provide clients with a description of the ~~costs~~operating and transaction charges they will pay in making, holding and selling investments. We expect this description to include all ~~costs~~charges a client may pay during the course of holding a particular investment. For example, ~~for~~if a client will be investing in a mutual fund security, the description should briefly explain each of the following and how they may affect the investment:

- the management expense ratio
- the sales charge ~~options available to the client~~or deferred sales charge option available to the client and an explanation as to how such charges work. This means registered firms should advise clients that mutual funds sold on a deferred

sales charge basis are subject to charges upon redemption that are applied on a declining rate scale over a specified period of years, until such time as the charges decrease to zero

- ~~the~~any trailing commission
- any short-term trading fees
- any fees related to the client changing or switching investments ("switch or change fees")

Another example relates to the rates charged on foreign exchange transactions which may be less transparent. The registrant's disclosure should specify whether the firm charges the client its cost or whether there is a mark-up component.

Registrants should advise clients whether their managed account is permitted to hold securities that pay third party compensation, and whether the fee paid by the client to the registrant will be affected by this. For example, the management fee paid by a client on the portion of a managed account related to mutual fund holdings may be lower than the overall fee on the rest of the portfolio.

Description of content and frequency of reporting

In order to comply with paragraph 14.2(2)(i), registered firms should describe to clients at account opening the following types of reporting that they will provide and the frequency of such reporting:

- client account statements
- trade confirmations for registered dealers
- annual charge and compensation disclosure
- ~~any switch or change fees~~performance reporting

KYC information

Paragraph 14.2(2)(l) requires registrants to provide their clients with a copy of their KYC information at the time of account opening. We would expect registered firms to also provide a description to the client of the various terms which make up the KYC information, and describe how this information will be used in assessing the client's financial situation, investment objectives, investment knowledge, risk tolerance and in determining investment suitability. From this initial discussion, clients should better understand what their KYC information is being used for.

Disclosure at the time of a transaction

For non-managed accounts, subsection 14.2(3.1) requires disclosure to a client of charges specific to a transaction prior to the acceptance of a client's order. For the purchase of a mutual fund security on a deferred sales charge basis, we would expect this disclosure to also include that a charge may be triggered upon the redemption of the security, if it is sold within the time period that a deferred sales charge would be applicable. The actual amount of the deferred sales charge, if any, would need to be disclosed once the security is redeemed. This disclosure is not required to be in writing. Specific charges should be reported in writing on the trade confirmation as required in section 14.12.

Switch or change fees

We consider that providing clients with adequate disclosure of the charges at the time of a transaction will also help clients to be aware of the implications of proposed transactions and deter registered firms from transacting for the purpose of generating commissions. For example, changing a client's investment from a fund sold on a deferred sales charge basis when the charge period has lapsed to a similar fund sold on a sales charge basis would result in the client paying commissions that would otherwise have been avoided.

We are also of the view that a registered firm should not switch the client's investment in the same fund from units sold on a deferred sales charge basis when the charge period has lapsed to those sold on a sales charge basis in order to generate a higher amount of trailing commissions with no corresponding financial benefit to the client. These types of transactions are in our view inconsistent with a registrant's duty to act fairly, honestly and in good faith. Requiring sufficient disclosure of the charges the client may pay and the firm's compensation will provide investors with important information about their investments.

We would also expect all changes or switches to a client's investments to be accurately reported on trade confirmations by reporting each of the purchase and sale transactions making up the change or switch, as required in section 14.12, with a description of the associated charges.

Annual charge and compensation disclosure

Under paragraph 14.2(4.1)(a), registered firms must provide clients on an annual basis with their current account operating charges that are relevant to the type of account(s) held by the client. For example, these may include annual registered plan fees and any other charges associated with maintaining and using a registered account. We do not expect registered firms to provide clients with information on product-related charges since the range of products offered by a registrant may be quite broad and the types of products in a client's account may change over time.

Subsection 14.2(4.1) also requires registered firms to provide clients, on an annual basis, with information on the nature and dollar amount of each type of charge paid by the client during the 12 month period. This would include such charges as commissions, switch or change fees, performance fees and early redemption fees. Registered firms must also disclose the amount of trailing commissions they received related to the client's holdings and provide disclosure on the amount of any other type of compensation received by a third party, including a non-arm's length entity, such as referral fees, success fees on the completion of a transaction or finder's fees.

Registrants must also identify a client's investment fund holdings that may be subject to a deferred sales charge, regardless of whether or not a charge has been incurred.

Permitted clients

Under subsection 14.2(6), registrants do not have to provide relationship disclosure information to permitted clients if:

- the permitted client has waived the requirements in writing, and
- the registrant does not act as an adviser for a managed account of the permitted client

Promoting client participation

Registered firms should help their clients understand the registrant-client relationship. They should encourage clients to actively participate in the relationship and provide them with clear, relevant and timely information and communications.

In particular, registered firms should encourage clients to:

- **Keep the firm up to date.** Clients should provide full and accurate information to the firm and the registered individuals acting for the firm. Clients should promptly inform the firm of any change to information that could reasonably result in a change to the types of investments appropriate for them, such as a change to their income, investment objectives, risk tolerance, time horizon or net worth.
- **Be informed.** Clients should understand the potential risks and returns on investments. They should carefully review sales literature provided by the firm. Where appropriate, clients should consult professionals, such as a lawyer or an accountant, for legal or tax advice.
- **Ask questions.** Clients should ask questions and request information from the firm to resolve questions about their account, transactions or investments, or their relationship with the firm or a registered individual acting for the firm.
- **Stay on top of their investments.** Clients should pay for securities purchases by the settlement date. They should review all account documentation provided by the firm and regularly review portfolio holdings and performance.

….

14.12 Content and delivery of trade confirmation

Section 14.12 requires registered dealers to deliver trade confirmations. A dealer may enter into an outsourcing arrangement for the sending of trade confirmations to its clients. Like all outsourcing arrangements, the registrant is ultimately responsible for the function and must supervise the service provider. See Part 11 of this Companion Policy for more guidance on outsourcing.

Trades in fixed income securities

Under paragraph 14.12(1)(b.1), registered dealers must provide the yield of a fixed income security on trade confirmations. For non-callable fixed income securities, the yield to maturity would be appropriate, while for callable securities, the yield to call may be more useful.

....

14.14 Account statements

Account statements generally

Section 14.14 requires registered dealers and advisers to deliver statements to clients at least once every three months. There is no prescribed form for these statements but they must contain the information in subsections 14.14(4),(5) and (~~5~~5.2). The types of transactions that must be disclosed in an account statement include any purchase, sale or transfer of securities, dividend or interest payment received or reinvested, any fee or charge, and any other account activity.

We expect all dealers and advisers to provide client account statements. For example, an exempt market dealer should provide an account statement that contains the information prescribed for all transactions the exempt market dealer has entered into or arranged on a client's behalf.

The requirement to produce and deliver an account statement may be outsourced. Portfolio managers frequently enter into outsourcing arrangements for the production and delivery of account statements. Third-party pricing providers may also be used to value securities for the purpose of account statements. Like all outsourcing arrangements, the registrant is ultimately responsible for the function and must supervise the service provider. See Part 11 of this Companion Policy for more guidance on outsourcing.

Market value of securities

Where possible, market value should be determined by reference to a quoted value on a recognized exchange or marketplace. If market value is not quoted on an exchange (e.g. bonds) market value may be determined by reference to quotes that are available through brokers. We recognize that it is not always possible to obtain a market value by these methods. In such cases, we will accept a valuation policy that is consistently applied and is based on measures considered reasonable in the industry, such as value at cost where there has been no material subsequent event (e.g. a market event or new capital raising by the issuer).

Under subsection 14.14(5.1), where a market value of a security cannot be determined, the registered firm must disclose this in the account statement and exclude the security from the calculation of the total market value in paragraph (e). If the registered firm can subsequently determine a market value for that security, the market value should be included in the account statement, accompanied at that time with adequate notes explaining that a market value is now determinable.

Once a market value is subsequently determinable for a security, registered firms may also need to add that value to the amount reported under paragraph 14.16(1)(a) (net amount invested) . This would be expected if the firm had previously assigned the security a value of zero in the calculation of net amount invested because it could not determine the security's market value, as required by subsection 14.16(5) This would reduce the risk of presenting a misleading improvement in the performance of the account by only adding the value of the security to the other calculations required under section 14.16. If the contributions used to purchase the security were already included in the calculation of net amount invested, the registered firm would not need to adjust that figure.

Original cost of securities in account statements

Subsection 14.14(5.2) requires the account statement to include the original cost of each security position. This is the total amount paid for a security, including any commissions or related fees. Registered firms may choose whether to disclose original cost on an aggregate basis for each security position or on an average per security basis. Original cost information will allow investors to readily compare the market value of security positions to the original cost on their statement to assess how well an investment is performing.

Where the original cost information is unavailable, registrants may elect to substitute market value information as at a certain point in time as the cost going forward. For example, where the account was transferred in to the registrant firm, the market value assigned to the securities could be that as at the date the account was received in by way of transfer, and this could be used instead of original cost.

For an existing account where security cost records are incomplete or known to be inaccurate, the market value as at the [implementation] date or an earlier date may be used, provided that the date and value selected for the security is applied consistently to all client accounts for which cost information is incomplete or inaccurate. If the market value cannot be reliably measured for a security position, the cost information should be reported as not determinable.

....

14.15 Performance reports

A performance report must be provided to clients every 12 months as part of, or together with, the account statement. We expect registered firms will give this information sufficient prominence among their client reporting materials so that a reasonable investor can readily locate it. For example, the prominence of this information may be enhanced by putting this information on the first page of the account statement or a bold cross-reference to the performance reporting on the face of the account statement.

14.16 Content of performance reports

The performance reporting disclosure must include explanatory notes and definitions of key performance terms as outlined in paragraphs 14.16(1)(e) and (h) and included in section 1.1. We would expect these notes to explain the information presented and how an investor can use it to assess the account performance. The use of both text and a table, graph or chart is required. The information in each of the combinations of paragraphs 14.16(1)(a) and (b), (c) and (d), and (f) would be usefully presented together.

The disclosure may also include

- additional definitions of the various performance measures used by the registrant
- additional disclosure that enhances the performance presentation
- a discussion with clients about what the information means to them

Registered firms are encouraged to meet with clients, as part of an in-person or telephone meeting, to adequately explain their performance reporting and how it relates to the client's objectives and risk tolerance.

Appendix D of this Companion Policy includes a sample Account Performance Report which registered firms are encouraged to use as guidance. This includes the information required to be reported in paragraphs 14.16(1)(a) to (h), as well as sample explanatory notes.

Net amount invested

As part of paragraph 14.16(1)(a), registered firms must disclose the net amount invested in the client's account. This is the sum of all contributions and transfers in of cash or securities less all withdrawals and transfers out of cash or securities. The definition of net amount invested should accompany the information required to be presented under section 14.16.

The net amount invested should be presented from the time of account opening. If this information is not historically available, registered firms may present the market value of all securities and cash in the account as of [the implementation date] as a substitute and disclose this basis of presentation to clients. In these cases and for purposes of calculating the change in value of the account since inception required in subsection (d), an opening market value at the implementation date and the net amount invested since the implementation date will be used instead of the net amount invested.

Subsection 14.16(5) requires a registered firm that cannot determine the market value for a security position to assign the security a value of zero for the purposes of calculating net amount invested. As described in section 14.14 of this Companion Policy, if a registered firm is subsequently able to value that security it may need to adjust the calculation of net amount invested to avoid presenting a misleading improvement in the performance of the account.

The net amount invested as described above should be compared to the market value of the account as at the end of the 12 month period for which the performance reporting is provided in order to provide clients, in dollar terms, with the performance and the worth of their account.

Change in value

Registered firms are also required to disclose the change in the value of a client's account since inception and for the 12 month period under paragraphs 14.16(1)(c) and (d). The change in the value of the account since inception is the difference between

the ending market value of the account and the net amount invested since inception. The change in the value of the account for the 12 month period is the difference between the ending market value of the account and the opening market value and net amount invested during the period.

Generally, the change in value is a reflection of the market performance of the account and includes components such as reinvested income (dividends, interest) and distributions, cash distributions, unrealized capital gains or losses in the account and the effect of account and transaction charges if these are deducted directly from the account. Rather than show the change in value as a single amount, registered firms may opt to break this out into its components to provide more detail to clients.

Percentage return calculation methods

Paragraph 14.16(1)(f) permits the use of either a time weighted or dollar weighted performance calculation method for percentage returns. Different techniques within each method such as the Dietz and modified Dietz methods are permitted. The method and technique used should be those that best reflect how a client's investments have performed and should be used consistently by the registered firm for comparability from one reporting period to the next. If the performance calculation method is changed, the client should be informed of the change and the reason for the change, as well as the difference in the performance return as a result of adopting the new method.

Benchmark information reporting

The use of benchmarks for account performance is not prescribed. However, when the use of benchmarks has been agreed to between the registered firm and the client, this agreement must be documented and form part of the client's agreement with the registered firm as required under section 14.17. Further, we expect dealers and advisers in these instances to provide their clients with a meaningful and relevant benchmark against which the performance of the client's account can be compared.

If registered firms present benchmark information, they should ensure that the benchmark information presented is not misleading. We expect registrants to use benchmarks that are

- discussed with clients to ensure they reflect the diversity of the client's portfolio and meet their information needs
- based on widely recognized and available indices that are credible and not manufactured by the registrant or any of its affiliates using proprietary data
- broad-based securities market indices which can be linked to the major asset classes into which the client's portfolio is divided. The determination of a major asset class should be based on the firm's own policies and procedures and the client's portfolio composition. An asset class for benchmarking purposes may be based on the type of security and geographical region. We do not expect an asset class to be determined by industry sector

  Examples of acceptable benchmarks would include, but are not limited to, the S&P/TSX Composite index for Canadian equities, the S&P 500 index for U.S. equities, and the MSCI EAFE index as a measure of the equity market outside of North America.
- presented for the same reporting periods as the client's annualized compound percentage returns
- clearly named
- applied consistently from one reporting period to the next for comparability reasons, unless there has been a change to the pre-determined asset classes. In this case, the change in the benchmark(s) presented should be discussed with the client and included in the explanatory notes, along with the reasons for the change

Registered firms may add additional commentary or explanatory notes to the benchmark presentation. The explanatory notes may reinforce the relevance of the benchmarks presented and can include all facts that could alter materially the conclusions drawn by the comparison. For example, the notes could include a discussion of the differences between the benchmark presented and the investment strategy of the client to make the comparison fair and not misleading.

A discussion of the impact of account fees would also be helpful to clients since benchmarks do not factor in investment costs. Also, this could include differences between the calculation methodology used for the client's returns and those used for calculating the benchmarks and the implication of the use of different methods.

Performance reporting periods

Subsection 14.16(3) outlines the minimum reporting periods of 1, 3, 5 and 10 years and the period since the inception of the account. Registered firms may opt to provide more frequent performance reporting. However performance returns for periods of less than one year should not be misleading and therefore, must not be presented on an annualized basis as outlined in subsection 14.16(4).

....

Appendix D
Sample Account Performance Report

This appendix is an addition to Companion Policy 31-103CP.

Your account performance report

For the period ending December 31, 2010

Investment account 123456789

Client name
Address line 1
Address line 2
Address line 3

This report tells you how your account has performed to December 31, 2010. It can help you assess your progress toward meeting your investment goals.

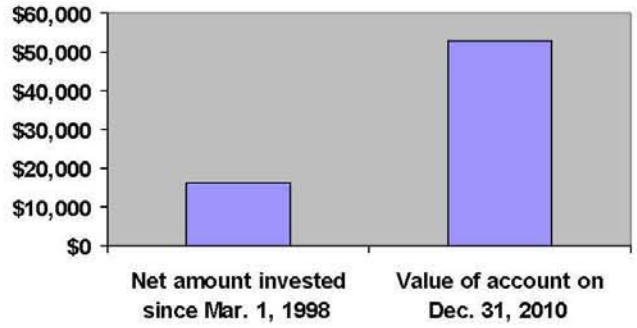
Speak to your adviser if you have questions about this report or how your account is doing, or if your personal or financial circumstances have changed. Your adviser can recommend any adjustments to your investments to keep you on track to meeting your goals.

What is net amount invested?
It's the amount left after:

- adding all deposits and transfers into your account, and
- deducting all withdrawals and transfers out of your account.

Total value summary

Net amount invested since you opened your account on March 1, 1998	$16,300.00
Value of your account on December 31, 2010	**$52,792.34**



Change in the value of your account

This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past year	Since you opened your account
Opening balance	$51,063.49	$0.00
Net amount invested	$(1,200.00)	$16,300.00
Interest and dividends	$1,000.00	$13,795.93
Change in the market value of your investments	$1,928.85	$22,696.41
Closing balance	**$52,792.34**	**$52,792.34**

Rates of return

What is annual compound rate of return?
This represents the cumulative effect of gains and losses on an investment over time. It's expressed as an annualized percentage.

For example, an annual compound rate of return of 5% for the past three years means that the investment effectively grew by 5% a year in each of the three years.

The table below shows the annual compound rates of return of your account for periods ending December 31, 2010. Returns are calculated after fees have been deducted. These include fees you pay for advice, transaction costs and account-related fees, but not income tax.

Keep in mind your returns reflect the mix of investments and risk level of your account. When assessing your returns, consider your investment goals, the amount of risk you're comfortable with, and the value of the advice and services you receive.

	Past year	Past 3 years	Past 5 years	Past 10 years	Since you opened your account
Your account	5.80%	-1.83%	2.76%	8.07%	11.07%

Calculation method
We use the modified Dietz method to calculate rates of return. This is a time-weighted method for calculating returns. Contact your adviser if you want more information about how we calculate returns.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/31/2011 to 06/02/2011	5	1525104 Alberta Ltd. - Common Shares	499,996.00	125,000.00
05/16/2011	1	17th Avenue NW Land Development Partnership Inc. - Common Shares	100,002.00	14,286.00
05/18/2011	1	ACL Alternative Fund - Units	240,875.00	NA
03/28/2011	16	Actus Minerals Corp. - Common Shares	210,000.00	3,500,000.00
05/27/2011	61	Advantaged Canadian High Yield Bond Fund - Units	14,288,444.84	1,361,382.00
05/20/2011	1	Alexco Resource Corp. - Common Shares	25,000.00	3,370.00
05/09/2011	1	Altitude Mutual Fund Limited Partnership - Limited Partnership Units	1,000,000.00	100.00
05/27/2011	19	American International Group, Inc. - Common Shares	289,068,000.00	10,200.00
03/17/2011	6	Appia Energy Corp. - Flow-Through Units	2,050,000.00	1,333,333.00
05/24/2011	4	Aquarius Capital Corp - Units	200,080.00	164,000.00
06/02/2011	4	Arch Coal, Inc. - Common Shares	40,322,677.50	1,525,000.00
05/20/2011 to 05/30/2011	95	Argentum Silver Corp. - Units	4,138,415.00	11,824,042.00
05/31/2011	29	BAC Canada Finance Company - Common Shares	4,875,000.00	48,750.00
02/25/2011	139	Bay Peak 1 Opportunity Corp. - Common Shares	40,866.00	31,050.00
02/25/2011	139	Bay Peak 2 Opportunity Corp. - Common Shares	40,866.00	31,050.00
02/25/2011	139	Bay Peak 3 Opportunity Corp. - Common Shares	40,866.00	31,050.00
02/25/2011	139	Bay Peak 4 Opportunity Company - Common Shares	40,866.00	31,050.00
02/25/2011	139	Bay Peak 5 Opportunity Company - Common Shares	40,866.00	31,050.00
04/01/2011	1	Bison Income Trust II - Trust Units	80,000.00	8,000.00
04/06/2011 to 04/11/2011	2	Bison Income Trust II - Trust Units	1,270,000.00	127,000.00
06/10/2011	24	Blue Horizon Enegy Inc. - Common Shares	384,315.00	NA

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/26/2011	79	BNP Paribas Arbitrage Issuance B.V. - Certificates	1,533,617.26	1,321.00
05/12/2011	15	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	512,713.00	512,713.00
12/23/2010 to 12/29/2010	30	CanAlaska Uranium Ltd. - Units	3,468,600.00	2,167,875.00
06/10/2011	1	Canso Credit Trust - Trust Units	3,312,960.00	324,273.95
05/12/2011 to 05/13/2011	17	CareVest Capital Blended Mortgage Investment Corp. - Preferred Shares	930,058.00	930,058.00
06/03/2011	86	Cassius Ventures Ltd. - Units	4,125,000.00	16,500,000.00
06/01/2011	3	Central Resources Corp. - Flow-Through Units	750,000.00	3,750,000.00
05/31/2011	56	Centurion Apartment Real Estate Investment Trust - Units	3,203,654.00	317,350.57
03/31/2011	77	Centurion Apartment Real Estate Investment Trust "Corrected" - Units	2,270,728.59	225,854.59
12/22/2010	6	Centurion Minerals Ltd - Common Shares	1,800,015.00	1,161,300.00
06/06/2011	4	Cheniere Energy, Inc. - Common Shares	2,509,875.00	250,000.00
05/24/2011	34	Chrysler Group LLC - Notes	88,056,960.00	NA
05/31/2011	1	Cinemark USA, Inc. - Notes	3,875,200.00	4,000.00
05/26/2011	2	Claymore Silver Bullion Trust - Units	8,000,000.00	479,534.00
05/26/2011	7	Clear Sky Capital US Real Estate Opportunity Limited Partnership - Limited Partnership Units	735,675.00	7,500.00
05/27/2011	1	Colibri Resource Corporation - Units	600,000.00	3,000,000.00
05/20/2011	4	Coltstar Ventures Inc. - Units	900,000.00	2,000,000.00
01/03/2011 to 01/14/2011	8	CommunityLend Inc. - Loan Agreements	33,200.00	NA
06/01/2011	126	Coront Metals Inc. - Investment Trust Interests	10,851,603.00	36,172,010.00
05/18/2011	2	Corsa Coal Corp. - Debentures	25,000,000.00	NA
09/08/2009	1	DPG Resources Inc. - Common Shares	10,000.00	100,000.00
08/04/2009 to 08/05/2009	11	DPG Resources Inc. - Common Shares	475,000.00	4,750,000.00
08/17/2009 to 08/21/2009	4	DPG Resources Inc. - Common Shares	35,000.00	350,000.00
06/03/2011	86	Dunav Resources Ltd. - Units	12,725,960.20	21,209,933.00
05/25/2011	40	Ecuador Capital Corp. - Common Shares	2,288,224.20	5,084,943.00
05/10/2011	57	Edleun Group, Inc. - Common Shares	25,003,010.00	22,730,000.00
05/17/2011 to 05/19/2011	4	Emerald City Of Oz, LLC - Units	60,000.00	60,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/13/2011	1	Emerging Markets Value Portfolio of DFA Investment Dimensions Group Inc. - Common Shares	33,980,678.00	980,117.61
04/30/2011	1	Excalibur Limited Partnership - Limited Partnership Units	50,000.00	NA
05/31/2011	3	Expopack Holding Corp. - Notes	12,303,760.00	3.00
05/12/2011	2	First Leaside Mortgage Fund - Trust Units	90,000.00	90,000.00
06/02/2011 to 06/06/2011	2	First Leaside Venture Limited Partnership - Units	50,000.00	50,000.00
05/04/2011 to 05/10/2011	9	First Leaside Wealth Management Fund - Limited Partnership Interest	395,080.00	395,080.00
05/11/2011 to 05/17/2011	10	First Leaside Wealth Management Fund - Limited Partnership Interest	587,232.00	587,232.00
06/02/2011	3	Foundation Group Capital Trust - Units	211,668.00	17,639.00
06/02/2011	48	Goldrush Resources Ltd. - Unit	3,400,000.00	21,250,000.00
06/06/2011	1	GreenCore Composites Inc. - Debenture	150,000.00	1.00
05/18/2011	2	Halo Resources Ltd. - Common Shares	27,000.00	100,000.00
05/12/2011	1	Hi Ho Silver Resources Inc. - Units	6,000.00	100,000.00
06/01/2011	6	Hopkins Acquisition, Inc. - Common Shares	48,179,778.00	4,817,977.80
01/01/2010 to 02/01/2010	1	IAM Mini-Fund 18 Limited - Preferred Shares	6,353,047.88	6,000.00
05/25/2011	1	ImmunoGen, Inc. - Common Shares	294,000.00	25,000.00
05/31/2011	12	Infrastructure Integrity USA Inc. - Notes	1,650,000.00	NA
03/01/2008 to 09/01/2008	42	Investcorp Interlachen Multi-Strategy Fund Limited - Common Shares	359,030,820.58	354,815.30
05/01/2009 to 08/01/2009	8	Investcorp Silverback Arbitrage Fund Limited - Preferred Shares	35,958,774.70	30,950.00
03/01/2010 to 08/01/2010	4	Investcorp Silverback Arbitrage Fund Limited - Preferred Shares	94,073,479.38	91,000.00
05/01/2010	3	Investcorp Stoneworks Global Macro Fund Limited - Preferred Shares	12,664,139.92	12,450.00
12/01/2009	3	Investcorp Stoneworks Global Macro Fund Limited - Preferred Shares	1,747,384.19	1,675.00
05/27/2011	1	JPMorgan Chase Bank, National Association - Notes	586,230.00	600,000.00
05/31/2011	3	JPMorgan Chase Bank, National Association - Notes	1,660,985.00	1,700.00
05/01/2011	1	K2 Overseas Investors I, Ltd. - Common Shares	30,374,400.00	32,000.00
05/31/2011	2	Kingwest Avenue Portfolio - Units	91,000.00	2,876.62

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/30/2011	48	Kitrinor Metals Inc. - Common Shares	288,000.00	12,020,000.00
05/10/2011	1	Kokomo Enterprises Inc. - Units	10,000.00	10,000.00
05/27/2011	19	Kommunalbanken AS - Common Shares	274,925,750.00	NA
05/11/2011	1	Kosmos Energy Ltd. - Common Shares	469,620.00	25,000.00
05/30/2011	2	Leeward Capital Corp. - Units	250,000.00	3,125,000.00
04/28/2011 to 05/06/2011	56	Longbow Capital Limited Partnership #19 - Limited Partnership Units	8,040,000.00	8,040.00
06/08/2011	66	Longford Energy Inc. - Units	7,500,000.00	37,500,000.00
05/31/2011	2	Macquarie Everbright Greater China Infrastructure Fund L.P. - Units	15,000,000.00	15,000,000.00
05/31/2011	1	Mainstay Housing - Debentures	5,000,000.00	5,000.00
05/04/2011	12	Mercury Capital Limited - Common Shares	150,000.00	750,000.00
05/10/2011 to 05/12/2011	16	Merus Labs International Inc. - Units	525,000.00	2,500,000.00
05/16/2011 to 05/20/2011	20	Mideast Energy Corporation - Common Shares	799,954.70	15,799,094.00
01/01/2010 to 11/01/2010	12	MMCAP Fund Inc. - Common Shares	7,134,653.00	6,932.46
11/01/2010 to 01/10/2011	15	Module Resources Incorporated - Common Shares	280,100.00	NA
05/19/2011	4	Network 2011 Mutual Fund Trust - Trust Units	180,000.00	1,800.00
06/03/2011	1	New Solutions Financial (II) Corporation - Debenture	350,000.00	1.00
05/19/2011 to 05/27/2011	18	Newport Balanced Fund - Trust Units	692,963.24	6,871.00
05/09/2011 to 05/18/2011	13	Newport Balanced Fund - Trust Units	133,342.84	1,214.00
05/19/2011 to 05/27/2011	14	Newport Canadian Equity Fund - Trust Units	671,656.75	4,536.00
05/09/2011 to 05/18/2011	11	Newport Canadian Equity Fund - Trust Units	599,918.83	4,330.41
05/19/2011 to 05/27/2011	14	Newport Fixed Income Fund - Trust Units	1,041,401.23	6,847.00
05/09/2011 to 05/18/2011	7	Newport Fixed Income Fund - Trust Units	765,000.00	7,214.00
05/19/2011 to 05/27/2011	4	Newport Global Equity Fund - Trust Units	64,405.40	880.00
05/09/2011 to 05/18/2011	14	Newport Global Equity Fund - Trust Units	512,400.00	8,135.00
05/19/2011 to 05/27/2011	30	Newport Yield Fund - Trust Units	1,605,560.19	10,795.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/09/2011 to 05/18/2011	19	Newport Yield Fund - Trust Units	968,597.87	7,944.00
05/25/2011	1	Nichromet Extraction Inc. - Units	450,000.00	4,500,000.00
02/18/2011 to 03/15/2011	1	O'Leary Convertible Portfolio Trust - Units	179,235,000.00	14,936,250.00
05/20/2011	1	O'Leary U.S. Portfolio Trust - Units	104,909,294.60	9,012,826.00
05/16/2011	1	Osisko Mining Corporation - Common Shares	6,002,500.00	343,000.00
12/06/2010	6	Parkland Energy Services Inc. - Common Shares	123,000.00	713,044.00
01/28/2011	55	Petaquilla Minerals Ltd (Amended) - Common Shares	32,000,000.00	16,000,000.00
05/17/2011	339	Pinetree Capital Ltd. - Debentures	75,000,000.00	75,000.00
05/19/2011	12	Portex Minerals Inc. - Units	207,160.08	1,726,334.00
05/26/2011	1	Rainy Mountain Royalty Corp. - Common Shares	30,000.00	200,000.00
05/18/2011	5	Range Energy Resources Inc. - Units	4,020,000.00	26,800,000.00
06/06/2011	3	Rea-Wallace Mining Company - Units	91,112.07	390,000.00
04/29/2011	1	ROI Private Capital Trust Series R - Trust Units	12,000,000.00	12,000,000.00
06/02/2011 to 06/08/2011	14	Royal Bank of Canada - Notes	2,583,190.00	NA
05/20/2011	68	Samaranta Mining Corporation - Units	3,500,000.00	10,000,000.00
03/29/2011	1	Sanfield Limited Partnership - Limited Partnership Units	21,200,000.00	3,266,513.00
05/26/2011	38	Savanna Energy Services Corp. - Notes	125,000,000.00	125,000.00
11/17/2010 to 11/25/2010	20	Silver Predator Corp. - Units	3,467,900.00	4,400,000.00
05/16/2011 to 05/20/2011	4	Sinclair Cockburn Mortgage Investment Corporation - Common Shares	848,045.00	848,045.00
04/29/2011 to 05/09/2011	3	Sinclair Cockburn Mortgage Investment Corporation - Common Shares	600,000.00	600,000.00
05/31/2011	34	Sino Elite Group Limited - Units	2,171,552.16	642.00
06/01/2011	1	Stacey Muirhead Limited Partnership - Limited Partnership Units	2,500.00	65.89
06/01/2011	3	Stacey Muirhead RSP Fund - Trust Units	10,500.00	1,048.20
05/13/2011	23	Starfield Resources Inc. - Common Shares	3,789,635.00	50,528,466.00
05/31/2011	28	Sun River Energy, Inc. - Preferred Shares	924,899.81	47,188.77
06/01/2011	1	The AES Corporation - Notes	5,828,400.00	6,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/06/2011	3	The CRS 2010 Limited Partnership - Limited Partnership Units	100,000.00	4.00
05/26/2011	8	Torch River Resources Ltd. - Common Shares	270,000.00	5,400,000.00
05/31/2011	18	Tornado Medical Systems, Inc. - Common Shares	1,438,301.00	871,708.00
05/26/2011	5	UBS AG, London Branch - Certificates	420,698.40	430.00
05/25/2011	11	Victory Nickel Inc. - Flow-Through Units	999,999.98	8,695,652.00
06/07/2011	1	WCA Waste Corporation - Notes	485,000.00	0.00
06/01/2011	1	Xanth Catastrophe Fund, Ltd. - Common Shares	150,000,000.00	150,000.00
05/26/2011	1	Xerium Technologies Inc. - Note	4,904,364.88	1.00
05/02/2011	1	York Credit Opportunities Unit Trust - Trust Units	1,186,490.51	NA
05/02/2011	1	York Select Unit Trust - Trust Units	1,423,790.51	NA

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Alberta Oilsands Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 21, 2011
Offering Price and Description:
$4,860,828.00 -15,431,200 Common Shares Price: $0.315 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1761294

Issuer Name:
Artis Real Estate Investment Trust
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated June 16, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
$90,240,000.00 - 6,400,000 Trust Units Price: $14.10 per Unit
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
CANACCORD GENUITY CORP.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
MACQUARIE CAPITAL MARKETS CANADA LTD
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
TD SECURITIES INC.
BROOKFIELD FINANCIAL CORP.
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
Promoter(s):
-
Project #1760257

Issuer Name:
BCE Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 21, 2011
Offering Price and Description:
$300,000,000.00 - 12,000,000 Cumulative Redeemable First Preferred Shares, Series AK Price: $25.00 per Series AK Preferred Share to yield initially 4.15% per annum
Underwriter(s) or Distributor(s):
CIBCWORLD MARKETS INC.
RBCDOMINION SECURITIES IN.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
DESJARDINS SECURITIES INC.
HSBCSECURITIES (CANADA) INC.
CANACCORD GENUITY CORP.
GMP SECURITIES L.P.
LAURENTIAN BANK SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #1761353

Issuer Name:
BioExx Specialty Proteins Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
$20,000,000.00 - 20,000,000 Units Price: $1.00 per Unit
Underwriter(s) or Distributor(s):
Canaccord Genuity Corp.
Scotia Capital Inc.
Wellington West Capital Markets Inc.
Stonecap Securities Inc.
Promoter(s):
-
Project #1761021

Issuer Name:
Canadian Pacific Railway Company
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 21, 2011
Offering Price and Description:
$1,500,000,000.00 - Medium Term Notes (Unsecured
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
MORGAN STANLEY CANADA LIMITED
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
J.P. MORGAN SECURITIES CANADA INC.
NATIONAL BANK FINANCIAL INC.
MERRILL LYNCH CANADA INC.
TD SECURITIES INC.
Promoter(s):
-
Project #1761217

Issuer Name:
Canadian Pacific Railway Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
$1,500,000,000.00:
Common Shares
First Preferred Shares
Second Preferred Shares
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1761213

Issuer Name:
Canexus Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 16, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
$60,000,000.00 - 5.75% Convertible Unsecured Subordinated Series IV Debentures Price: $1,000 per Series IV Debenture
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
HSBC SECURITIES (CANADA) INC.
TD SECURITIES INC.
ACUMEN CAPITAL FINANCE PARTNERS LIMITED
Promoter(s):
-
Project #1760279

Issuer Name:
Capstone Infrastructure Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 16, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
$75,000,000.00 -3,000,000 Cumulative 5-Year Rate Reset Preferred Shares, Series A Price: $25.00 per Series A Preferred Share to yield initially 5.00% per annum
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
JACOB SECURITIES INC.
M PARTNERS INC.
Promoter(s):
-
Project #1760176

Issuer Name:
CIBC Asia Pacific Index Fund
CIBC Balanced Index Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Index Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Emerging Markets Index Fund
CIBC European Index Fund
CIBC Global Bond Index Fund
CIBC International Index Fund
CIBC Nasdaq Index Fund
CIBC Short-Term Income Fund
CIBC U.S. Broad Market Index Fund
CIBC U.S. Index Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 15, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
Premium Class, Institutional Class and Class O Units
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #1759749

Issuer Name:
Cinaport Acquisition Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated June 21, 2011
NP 11-202 Receipt dated June 21, 2011
Offering Price and Description:
$226,000.00 - 2,260,000 COMMON SHARES Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Union Securities Ltd.
Promoter(s):
Donald Wright
John O'Sullivan
Avininder Grewal
Seshadri Chari
Project #1761417

Issuer Name:
Clean Seed Capital Group Ltd.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 17, 2011
NP 11-202 Receipt dated June 17, 2011
Offering Price and Description:
$2,010,000.00 -6,700,000 Shares @ $0.30 per Share and Distribution of 16,666 Shares issuable upon the exchange of 16,666 previously issued Special Warrants Price: $0.30 per Special Warrant
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
Graeme Lempriere
Project #1697549

Issuer Name:
Invesco Canadian Equity Private Pool
Invesco Intactive Balanced Growth Portfolio
Invesco Intactive Balanced Income Portfolio
Invesco Intactive Diversified Income Portfolio
Invesco Intactive Growth Portfolio
Invesco Intactive Maximum Growth Portfolio
PowerShares QQQ Class
PowerShares Tactical Bond Capital Yield Class
Trimark EAFE Equity Private Pool
Trimark Monthly Income Private Pool
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 17, 2011
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
Series A, F, T4, T6, T8, F4, F6 and PF Shares or Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Invesco Canada Ltd.
Invesco Trimark Ltd.
Project #1760534

Issuer Name:
Lorus Therapeutics Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 21, 2011
Offering Price and Description:
Minimum of $2,000,000.00; Maximum of $ * - A Minimum of * Units and a Maximum of * Units
Underwriter(s) or Distributor(s):
Euro Pacific Canada Inc.
Promoter(s):
-
Project #1761149

Issuer Name:
Naturally Advanced Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 20, 2011
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
$13,110,000.00 -3,800,000 Units Price: $3.45 per Unit
Underwriter(s) or Distributor(s):
CANACCORD GENUITY CORP.
CORMARK SECURITIES INC.
Promoter(s):
-
Project #1761114

Issuer Name:
Rio Plata Exploration Corp.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 15, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
Minimum: $1,900,000.00; Maximum: $2,500,000.00 - 6,333,334 Units and up to 8,333,334 Units Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Robert C. Bell
T. Richard Novis
Project #1696492

Issuer Name:
TransCanada PipeLines Limited
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 16, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
$2,000,000,000.00 - Medium Term Note Debentures (Unsecured)
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
HSBC SECURITIES (CANADA) INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #1760074

Issuer Name:
Acker Finley Canada Focus Fund (formerly, QSA Canada Focus Fund)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Acker Finley Asset Management Inc.
Promoter(s):
-
Project #1742115

Issuer Name:
AlphaNorth Growth Fund
(Series A and F Shares)
AlphaNorth Rollover Fund
(Series A Shares)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 13, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
Series A and F Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaNorth Asset Management
Project #1738746

Issuer Name:
Templeton Growth Fund, Ltd. (Series A, F, I and O shares)
Templeton International Stock Fund (Series A, F, I, O and T units)
Templeton Emerging Markets Fund (Series A, F, I and O units)
Templeton Global Smaller Companies Fund (Series A, F, I and O units)
Templeton Global Bond Fund (Series A, F, I and O units)
Templeton Canadian Stock Fund (Series A, F and O units)
Templeton Canadian Balanced Fund (Series A, F, O and T units)
Templeton Global Income Fund (Series A, F, O, S,, T and T-USD units)
Templeton EAFE Developed Markets Fund (formerly Bissett International Equity Fund)
Franklin Flex Cap Growth Fund (Series A, F and O units)
Franklin World Growth Fund (Series A, F, O and T units)
Franklin High Income Fund (Series A, F, I and O units)
Franklin Strategic Income Fund (Series A, F, I and O units)
Franklin U.S. Core Equity Fund (Series A, F and O units)
Franklin U.S. Rising Dividends Fund (Series A, F, O and T units)
Franklin MENA Fund (Series A, F and O units)
Bissett Canadian Equity Fund (Series A, F, I and O units)
Bissett Small Cap Fund (Series A, F and O units)
Bissett Microcap Fund (Series A, F and O units)
Bissett Canadian Balanced Fund (Series A, F, I, O and T units)
Bissett Dividend Income Fund (Series A, F, I, O and T units)
Bissett Bond Fund (Series A, F, I and O units)
Bissett Corporate Bond Fund (Series A, F, I and O units)
Bissett Canadian High Dividend Fund (formerly Bissett Income Fund) (Series A, F, I and O units)
Bissett Canadian Dividend Fund (Series A, F and O units)
Bissett Canadian Short Term Bond Fund
Bissett All Canadian Focus Fund (Series A, F, I and O units)
Bissett Focus Balanced Fund (Series, A, F, I, O and T units)
Mutual Beacon Fund (Series A, F, I, O and T units)
Mutual Discovery Fund (Series A, F, I, O, T and T-USD units)
Franklin Templeton Global Blend Fund (Series A, F, I, O, T and T-USD units)
Franklin Templeton Global Aggregate Bond Fund (Series A, F and O units)
Franklin Templeton Treasury Bill Fund (Series A, F, I and O units)
Franklin Templeton U.S. Money Market Fund (Series A, F, I and O units)
Franklin Templeton Money Market Fund (Series A, F, I and O units)
The following are classes of Franklin Templeton Corporate Class Ltd.
Templeton Growth Corporate Class (Series A, F, I and O shares)
Templeton International Stock Corporate Class (Series A, F, I, O and T shares)
Templeton Emerging Markets Corporate Class (Series A, F and O shares)
Templeton Global Smaller Companies Corporate Class (Series A, F, I and O shares)
Templeton Global Bond Hedged Yield Class (Series A, F, I, O, R, S and T shares)
Templeton Canadian Stock Corporate Class (Series A, F and O shares)
Templeton BRIC Corporate Class (Series A, F, I and O shares)
Templeton Asian Growth Corporate Class (Series A, F, I and O shares)
Franklin Flex Cap Growth Corporate Class (Series A, F and O shares)
Franklin World Growth Corporate Class (Series A, F, O and T shares)
Franklin U.S. Rising Dividends Corporate Class (Series A, F, O and T shares)
Quotential Diversified Income Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Quotential Balanced Income Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Quotential Balanced Growth Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Quotential Growth Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Quotential Canadian Growth Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Quotential Global Balanced Corporate Class Portfolio (Series A, F, I, O, R, S, T and T-USD shares)
Quotential Global Growth Corporate Class Portfolio (Series A, F, I, O, R, S, T and T-USD shares)
Quotential Maximum Growth Corporate Class Portfolio (Series A, F, I, O, R, S and T shares)
Mutual Beacon Corporate Class (Series A, F, I, O and T shares)
Mutual Discovery Corporate Class (Series A, F, I, O, T and T-SD shares)
Bissett Canadian Equity Corporate Class (Series A, F and O shares)
Bissett Small Cap Corporate Class (Series A, F and O shares)
Bissett Canadian Balanced Corporate Class (Series A, F, O and T shares)
Bissett Bond Corporate Class (Series A, F, I and O shares)
Bissett Bond Yield Class (formerly Franklin Templeton Managed Yield Class) (Series A, F, I and O shares)
Bissett Corporate Bond Yield Class (formerly Franklin Templeton Managed Corporate Yield Class) (Series A, F, I and O shares)
Bissett Canadian Dividend Corporate Class (Series A, F, I, O, R, S and T shares)
Bissett Canadian Short Term Bond Yield Class (Series A, F, I and O shares)
Bissett All Canadian Focus Corporate Class (Series A, F, I and O shares)
Bissett Energy Corporate Class (Series A, F and O shares)
Bissett U.S. Focus Corporate Class (Series A, F and O shares)
Bissett Focus Balanced Corporate Class (Series A, F, I, O and T shares)
Franklin Templeton Global Blend Corporate Class (Series A, F, I,O, T and T-USD shares)

Franklin Templeton Treasury Bill Yield Class (Series A, F, I and O shares)
Franklin Templeton U.S. Money Market Corporate Class (Series A, F, I and O shares)
Franklin Templeton U.S. Money Market Yield Class (formerly Franklin Templeton U.S. Short-Term Yield Class) Series A, F, I and O shares)
Franklin Templeton Money Market Corporate Class (Series A, F, I and O shares)
Franklin Templeton Money Market Yield Class (formerly Franklin Templeton Short-Term Yield Class) (Series A, F, I and O shares)
Quotential Diversified Income Portfolio (Series A, F, I, O, S and T units)
Quotential Balanced Income Portfolio (Series A, F, I, O, R, S and T units)
Quotential Balanced Growth Portfolio (Series A, F, I, O, R, S and T units)
Quotential Growth Portfolio (Series A, F, I, O, R and T units)
Quotential Canadian Growth Portfolio (Series A, F, I and O units)
Quotential Global Balanced Portfolio (Series A, F, I, O, R, S, T and T-USD units)
Quotential Global Growth Portfolio (Series A, F, I, O, R, T and T-USD units)
Quotential Maximum Growth Portfolio (Series A, F, I and O units)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated June 20, 2011
NP 11-202 Receipt dated June 21, 2011

Offering Price and Description:
Series A, F, I, O R, Sn T and T-USD units and
Series A, F, I, O R, Sn T and T-USD shares

Underwriter(s) or Distributor(s):
Franklin Templeton Investments Corp.
Bissett Investment Management, a division of Franklin Templeton Investments Corp.
Franklin Templeton Investments Corp.

Promoter(s):
Franklin Templeton Investments Corp.

Project #1734590

Issuer Name:
BlackBridge Opportunistic Bond Fund
(formerly frontierAlt Opportunistic Bond Fund)
(Series A Units, Series F Units and Series I Units)
BlackBridge Resource Capital Class Fund
(formerly frontierAlt Resource Capital Class Fund)
(Series A Shares)
Principal Regulator - Ontario

Type and Date:
Final Simplified Prospectuses dated June 17, 2011
NP 11-202 Receipt dated June 21, 2011

Offering Price and Description:
Series A Units, Series F Units , Series I Units and Series A Shares @ Net Asset Value

Underwriter(s) or Distributor(s):
-

Promoter(s):
BLACKBRIDGE CAPITAL MANAGEMENT CORP.

Project #1744192

Issuer Name:
All funds offer either Mutual Fund Units or Shares. Class Units or Shares ("C"),
F Class Units or Shares ("F"), F5 Class Units ("F5"), I Class Units ("I"), T5 Class Units ("T5")
and T8 Class Units ("T8") also offered where indicated of:
BMO Guardian Floating Rate Income Fund (F, I)
BMO Guardian Global Bond Fund (F, I)
BMO Guardian Growth & Income Fund (C, F, T5, T8)
BMO Guardian High Yield Bond Fund (F, I)
BMO Guardian Monthly Dividend Fund Ltd. (C, F)
BMO Guardian Monthly High Income Fund II (F, I, T5, T8)
BMO Guardian Canadian Large Cap Equity Fund (F, I, T5)
BMO Guardian Dividend Growth Fund (F, I, T5)
BMO Guardian Enterprise Fund (F, I, T5)
BMO Guardian Global Absolute Return Fund (F, I, T5)
BMO Guardian Global Equity Fund (F, I, T5)
BMO Guardian Global Small Cap Fund (F, I)
BMO Guardian Global Technology Fund (F, I)
BMO Guardian Asian Growth and Income Fund (F, I)
BMO Guardian Canadian Diversified Monthly Income Fund (F, F5, I, T5, T8)
BMO Guardian Global Diversified Fund (F, T5)
BMO Guardian Income Solution (F, T5, T8)
BMO Guardian Conservative Solution (T8)
BMO Guardian Balanced Solution (T5, T8)
BMO Guardian Growth Solution
BMO Guardian Aggressive Growth Solution (T8)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 16, 2011
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
Mutual Fund Units or Shares, Classic Units or Shares, F Class Units or Shares, F5 Class Units, I Class Units, T5 Class Units and T8 Class Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Guardian Group of Funds Ltd.
Promoter(s):
-
Project #1748278

Issuer Name:
Series A, B, D, F, H and I Units of:
CAPITAL INTERNATIONAL – GROWTH AND INCOME
CAPITAL INTERNATIONAL – GLOBAL EQUITY
CAPITAL INTERNATIONAL – INTERNATIONAL EQUITY
CAPITAL INTERNATIONAL – U.S. EQUITY
Series A, B, F, H and I Units of:
CAPITAL INTERNATIONAL – CANADIAN CORE PLUS FIXED INCOME
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 13, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
Series A, B, D, F, H and I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1744154

Issuer Name:
Datum Ventures Inc.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated June 15, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares PRICE: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Dale Wallster
Project #1748006

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
Maximum Offering: $4,870,000.00; Minimum Offering: $2,845,000 .00 - 10% Convertible Secured Debentures Due June 15, 2016
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Scott C. Kellaway
Project #1755319

Issuer Name:
Greater China Capital Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 17, 2011
Offering Price and Description:
Minimum Offering: $9,000,000.00 (1,000,000 Common Shares / $7,500,000.00 Unsecured Convertible Debentures); Maximum Offering: $13,300,000.00 (1,200,000 Common Shares / $11,500,000 Unsecured Convertible Debentures) - $1.50 per Common Share (Post-Consolidation); $5,000.00 Principal Amount Unsecured Convertible Debenture)
Underwriter(s) or Distributor(s):
PORTFOLIO STRATEGIES SECURITIES INC.
Promoter(s):
JIANMIN CHEN
CHANGLIN QIN
Project #1672162

Issuer Name:
Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF
Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF
Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF
Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF
Horizons BetaPro US Dollar Bull Plus ETF
Horizons BetaPro US Dollar Bear Plus ETF
Horizons BetaPro US 30-year Bond Bull Plus ETF
Horizons BetaPro US 30-year Bond Bear Plus ETF
Horizons BetaPro COMEX® Silver Bull Plus ETF
Horizons BetaPro COMEX® Silver Bear Plus ETF
Horizons BetaPro COMEX® Copper Bull Plus ETF
Horizons BetaPro COMEX® Copper Bear Plus ETF
Horizons BetaPro COMEX® Gold Inverse ETF
Horizons BetaPro COMEX® Silver Inverse ETF
Horizons BetaPro NYMEX® Natural Gas Inverse ETF
Horizons BetaPro NYMEX® Crude Oil Inverse ETF
Horizons BetaPro COMEX® Long Gold/Short Silver Spread ETF
Horizons BetaPro COMEX® Long Silver/Short Gold Spread ETF
Horizons BetaPro NYMEX® Long Natural Gas/Short Crude Oil Spread ETF
Horizons BetaPro NYMEX® Long Crude Oil/Short Natural Gas Spread ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 10, 2011
NP 11-202 Receipt dated June 17, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BetaPro Management Inc.
Project #1747203

Issuer Name:
Horizons BetaPro S&P/TSX 60™ Bull Plus ETF
Horizons BetaPro S&P/TSX 60™ Bear Plus ETF
Horizons BetaPro S&P/TSX Global Base Metals™ Bull Plus ETF
Horizons BetaPro S&P/TSX Global Base Metals™ Bear Plus ETF
Horizons BetaPro S&P/TSX Capped Financials™ Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Financials™ Bear Plus ETF
Horizons BetaPro S&P/TSX Capped Energy™ Bull Plus ETF
Horizons BetaPro S&P/TSX Capped Energy™ Bear Plus ETF
Horizons BetaPro S&P/TSX Global Gold™ Bull Plus ETF
Horizons BetaPro S&P/TSX Global Gold™ Bear Plus ETF
Horizons BetaPro S&P 500® Bull Plus ETF
Horizons BetaPro S&P 500® Bear Plus ETF
Horizons BetaPro NASDAQ-100® Bull Plus ETF
Horizons BetaPro NASDAQ-100® Bear Plus ETF
Horizons BetaPro MSCI Emerging Markets Bull Plus ETF
Horizons BetaPro MSCI Emerging Markets Bear Plus ETF
Horizons BetaPro S&P/TSX 60™ Inverse ETF
Horizons BetaPro S&P/TSX Capped Financials™ Inverse ETF
Horizons BetaPro S&P/TSX Capped Energy™ Inverse ETF
Horizons BetaPro S&P/TSX Global Gold™ Inverse ETF
Horizons BetaPro S&P 500® Inverse ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 10, 2011
NP 11-202 Receipt dated June 17, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BetaPro Management Inc.
Project #1747207

Issuer Name:
Horizons COMEX® Copper ETF
Horizons COMEX® Gold ETF
Horizons COMEX® Silver ETF
Horizons Winter-Term NYMEX® Crude Oil ETF
Horizons Winter-Term NYMEX® Natural Gas ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 10, 2011
NP 11-202 Receipt dated June 17, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BetaPro Management Inc.
Project #1747204

Issuer Name:
Horizons Enhanced U.S. Equity Income Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated June 13, 2011
NP 11-202 Receipt dated June 16, 2011
Offering Price and Description:
Maximum - $100,000,000.00 - 10,000,000 Class A Units @ $10.00 per Class A Unit
Minimum - $20,000,000.00 - 2,000,000 Class A Units @ $10.00 per Class A Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Canaccord Genuity Corp.
Desjardins Securities Inc.
Macquarie Private Wealth Inc.
Raymond James Ltd.
Dundee Securities Ltd.
Industrial Alliance Securities Inc.
Mackie Research Capital Corporation
MGI Securities Inc.
Rothenberg Capital Management Inc.
Wellington West Capital Markets Inc.
Promoter(s):
AlphaPro Management Inc.
Project #1736643

Issuer Name:
IBC Advanced Alloys Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
Minimum Offering: $4,000,000.00 or 22,222,223 Units; Maximum Offering: $7,000,000.00 or 38,888,889 Units - Price: $0.18 per Unit
Underwriter(s) or Distributor(s):
Euro Pacific Canada Inc.
Raymond James Ltd.
Promoter(s):
-
Project #1753317

Issuer Name:
Iberian Minerals Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
$66,087,000.00 - 73,430,000 Registered Shares (aggregate par value CHF 3,671,500)
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1755200

Issuer Name:
Mackenzie Sentinel Corporate Bond Fund (Series A, F, O, E, G, I & J Securities)
Mackenzie Sentinel North American Corporate Bond Class (Series A, F, O, E, E8, F6, J, J6, T6 & E6 Securities)
(Classes of Mackenzie Financial Capital Corporation)
Mackenzie Sentinel Registered North American Corporate Bond Fund (Series A, F, O, E & J Securities)
Mackenzie Sentinel Registered Strategic Income Fund (Series A, F, O, E & J Securities)
Mackenzie Sentinel Strategic Income Class (Series A, F, O, E, E8, F6, F8, J, J6, J8, T6, T8 & E6 Securities)
(Classes of Mackenzie Financial Capital Corporation)
Symmetry Registered Fixed Income Fund (Series A, F, O, E, J & W Securities)
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated June 6, 2011 to the Simplified Prospectuses and Annual Information Form dated November 3, 2010
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #1638629

Issuer Name:
Nexen Inc.
Principal Regulator - Alberta
Type and Date:
Final Base Shelf Prospectus dated June 15, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
U.S.$4,000,000,000.00:
Common Shares
Class A Preferred Shares
Senior Debt Securities
Subordinated Debt Securities
Subscription Receipts
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1756083

Issuer Name:
RBC Private EAFE Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 15, 2011 to the Simplified Prospectus and Annual Information Form dated August 19, 2010
NP 11-202 Receipt dated June 20, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Global Asset Management Inc.
The Royal Trust Company
Promoter(s):
RBC Asset Management Inc.
Project #1607943

Issuer Name:
Sentry Select Primary Metals Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 14, 2011
NP 11-202 Receipt dated June 15, 2011
Offering Price and Description:
$41,229,639.00 Maximum - Up to 3,945,420 Class A Shares Price: $10.45 per Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P..
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
Sentry Investments Inc.
Project #1755161

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Tempest Funds Ltd.	Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 15, 2011
Consent to Suspension (Pending Surrender)	CFI Capital Inc.	Exempt Market Dealer	June 16, 2011
Consent to Suspension (Pending Surrender)	CFI Leasing Limited	Exempt Market Dealer	June 16, 2011
Change in Registration Category	I3 Advisors Inc.	From: Portfolio Manager To: Portfolio Manager and Exempt Market Dealer	June 17, 2011
New Registration	Yul Capital Inc.	Exempt Market Dealer and Portfolio Manager	June 17, 2011
New Registration	The Clifton Group Investment Management Company	Portfolio Manager Commodity Trading Manager	June 20, 2011
Change in Registration Category	Jemekk Capital Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	June 20, 2011
Change in Registration Category	Hillsdale Investment Management Inc.	From: Exempt Market Dealer and Portfolio Manager To: Investment Fund Manager, Exempt Market Dealer and Portfolio Manager	June 21, 2011

This page intentionally left blank

Chapter 13

SROs, Marketplaces and Clearing Agencies

13.3 Clearing Agencies

13.3.1 Technical Amendments to CDS Procedures – ISO 15022 MT566 Corporate Action Payment Confirmation Message – Notice of Effective Date

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

ISO 15022 MT566
CORPORATE ACTION PAYMENT CONFIRMATION MESSAGE

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT

Background

In order to create efficiencies both internally and for our participants, CDS's corporate action/entitlement strategy is to provide automated, straight-through processing which encompasses the collection, analysis, summarization and dissemination of corporate action information.

CDS currently offers ISO 15022 MT564 (corporate action notification) and MT568 (corporate action narrative) messages to its participants. The MT564 and MT568 provide subscribing participants with the details of a corporate action event. These messages will now be supplemented with the MT566 – corporate action payment confirmation message.

Per SWIFT guidelines, the MT566 message is sent by an account servicer to an account owner or its designated agent. This message is used to confirm to the account owner that securities and/or cash have been credited/debited to their account as the result of a corporate action event.

The MT566 will be a subscription-based notification to participants that their CDSX ledgers have been updated (securities and/or cash have been credited or debited) as a result of a corporate action event. In turn, participants may use the message to automatically upload their own in-house systems with these payment details for the purposes of advising their own client base.

SWIFT's Entitlements National Market Practice Group (NMPG) in Canada has validated the details that CDS will be providing in the MT566 message.

Description of Proposed Amendments

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

The proposed amendments are:

- Updated CDSX procedures with revised screen captures and descriptions to show how to access the entitlements messaging subscription profile
- Updated CDSX377 form to add the subscription details for the MT566 message

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 May 26, 2011.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

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 Dépot 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 July 25, 2011.

D. QUESTIONS

Questions regarding this notice may be directed to:

Laura Ellick
Manager, Business Systems
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3872
Fax: 416-365-0842
e-mail: lellick@cds.ca

13.3.2 CDS – Notice of Effective Date – Technical Amendments to CDS Procedures – Payment Release Messages / Final Tendered Total Alert / TRAX – Market Purchase Transaction

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

PAYMENT RELEASE MESSAGES
EAS ALERT FOR DEPOSITARY AGENTS ON FINAL TENDERED TOTALS
NEW TRAX TRANSACTION SUBTYPE – MARKET PURCHASE

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT

Background

As part of an internal enhancement project, CDS is making a number of changes to its entitlement system in order to automate manual activities surrounding voluntary and dividend with option type event processing.

Three of the planned changes will also provide efficiencies to external participants:

- A new suite of payment release messages for Paying Agents
- A new EAS alert to advise Depositary Agents the total number of elections made to an event by the expiry date and time
- A new withdrawal transaction subtype in TRAX – Market Purchase (MP)

- ***Payment Release messages***

A new suite of subscription-based MQ messages will allow the paying agent on an event to release intraday cash payments electronically, and will eliminate the manual online entry and selection process currently required in CDSX using the payment release function. Additionally, a new payment release settlement status notification message will advise the paying agent that an update has occurred on the status of their event (e.g. updated from confirmed, to paid).

- ***EAS Alert for Depositary Agents on Final Tendered Totals***

Currently, CDS's entitlement processing area is required to manually advise a Depositary Agent of the total quantity of securities that have been tendered online to their event by end of day on the event's expiry date. A new alert will be added to EAS, CDS's web and email alert service, to provide Depositary Agents with an electronic notification of the total security position tendered to an event, when the window to enter tenders to the event expires (i.e. CDS Expiry Date and Time). Upon receipt of this alert, the Agent will be made aware (i) that online tendering in CDSX to the event has ceased, and (ii) the total quantity of securities tendered to a specific option/event.

The entitlement processing and functionality for voluntary type events will not be impacted.

- ***New TRAX transaction subtype – Market Purchase***

After making the decision to payout their dividend reinvestment option (the DRIP option on a Dividend with Option (DWO) distribution event) using part of their existing outstanding position, an issuer engages the services of a broker to purchase back the required number of securities to cover the DRIP in the marketplace. As a Transfer Agent is not eligible to settle trade type transactions in CDSX, CDS's entitlement processing area must manually enter adjustments to move the newly purchased securities from the broker's ledger to the DWO paying agent's ledger, so that the paying agent may then release the securities as the DRIP payment.

A new withdrawal transaction type – Market Purchase, or MP – will be added to the online TRAX service to accommodate the ability of the purchasing broker to enter the movement of the securities purchased in the marketplace directly to the Transfer Agent without manual intervention required by CDS.

A subsequent deposit transaction to the DWO paying agent's ledger will allow the agent to release the payment in CDSX. There is no change to the issuer's register for these transactions.

Description of Proposed Amendments

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

The proposed amendments are:

- ***Payment Release messages***
  - Updates to describe use of the payment release messages:
    - Depositary and Paying Agent Procedures
    - Money Market Issue and Entitlement Processing
    - Issue and Entitlement Processing – Other Securities
    - CDSX377 form (to add subscription details)

- ***EAS Alert for Depositary Agents on Final Tendered Totals***
  - Updates to describe the alert content, and timing of delivery:
    - Depositary Agent Procedures
    - Participating in CDS Services

- ***New TRAX transaction subtype – Market Purchase***
  - Updates to identify the new transaction subtype:
    - Transfer Agent Procedures
    - CDSX Procedures and User Guide

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 May 26, 2011.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

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 Dépot 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 July 25, 2011.

D. QUESTIONS

Questions regarding this notice may be directed to:

Deanna Crofts
Senior Product Manager, Business Systems
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-8455
Fax: 416-365-0842
e-mail: dcrofts@cds.ca

Index

This page intentionally left blank