The Ontario Securities Commission

OSC Bulletin

June 16, 2000

Volume 23, Issue 24

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

The Ontario Securites Commission
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M5H 3S8

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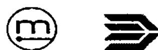

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

June 16, 2000

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
19th Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Derek Brown	—	DB
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John F. (Jake) Howard, Q.C.	—	JFH
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
R. Stephen Paddon, Q.C	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced — **Amalgamated Income Limited Partnership and 479660 B.C. Ltd.**

s. 127 & 127.1
Ms. J. Superina in attendance for staff.

Panel: TBA

June 16/2000 10:00 a.m. — **Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett**

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place at:
Courtyard Marriott
475 Yonge Street
College Room
Toronto, Ontario

June 16/2000 11:30 a.m. — **(Michael) Yun Tang, Milton T. Pearson, Kevin S.X. Cai, Qin Hua Joseph Gu, Robert Kay, Maxine Schiott, Kenneth Wiener, Constance Y.F. Mak and Victor Tong**

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place at:
Courtyard Marriott
475 Yonge Street
College Room
Toronto, Ontario

June 16/2000
2:00 p.m.

Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place at:
Courtyard Marriott
475 Yonge Street
College Room
Toronto, Ontario

June 16/2000
3:00 p.m.

John Tuzyk, Patricia Sheahan, and Loucas C. Pouroulis

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place at:
Courtyard Marriott
475 Yonge Street
College Room
Toronto, Ontario

June 21/2000
10:00 a.m.

Jack Burnett, Lorne Graham, Donald Hilton, Terry McKay, Mortimer Bistrisky, Michael P. McCloskey, and Shrewsbury S.A. Luxemburg

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 21/2000
11:00 a.m.

Robert Rice, Gary Lovie, Ming-Kgok (Roger) Lam, Edward Chan, George Mitrovich, L. Murray Eades, Herbert Lee, Harry H. Robinson, and Maureen Espin

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 21/2000
12:00 p.m.

Serafino Iacono, Miguel De La Campa and Peter Volk

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 21/2000
2:00 p.m.

Ian Macdonald, J. Robert Lee, Robert Sturgess, Don West, John Kyle, Gary Kirsh, Dan Dear, Bill E. Duke, Tri-Lee Capital Ltd., Tricapital Management Limited, Petals Décor Ltd., Doug Cakebread, Uldis Steinbachs, Jack Lee, Alan Lipszyc, Frank Principe, Doug Matton, Bill Dye, Roger Luk, David Lucas, Joe Nanna and J&K Sales

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 21/2000
3:00 p.m.

Rick Vansant, Ron Best, Clare Copeland, Michael Stein, Richard Harshman, Michael Serruya, Norman Winton, Russ Hill, Linda Millage, Steve Dodds and Carol Pipka

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 21/2000
4:00 p.m.

Richard Opekar, Robert Opekar, John A. Tindale, William Burt and Laver Limited

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
10:00 a.m.

Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc.

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
11:00 p.m.

Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd.

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
12:00 p.m.

Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd.

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
2:00 p.m.

John R. Hart, Maxim C.W. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
3:00 p.m.

Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp.

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
3:30 p.m.

David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 22/2000
4:00 p.m.

Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000
3:00 p.m.

Richard Opekar, Robert Opekar, John A. Tindale and Laver Limited

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000
10:00 a.m.

H. Howard Cooper, Thomas L. Digrappa, Frank S. Digrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000
11:00 a.m.

Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise De Boer

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 11:00 a.m.

Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 12:00 p.m.

Chris Cook, Louis Manzo, Sam DeBartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danis, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 28/2000 10:00 a.m.

Richard Thomas Slipetz

s. 127
Ms. S. Oseni in attendance for staff.

Panel: HIW / MPC / RWD

June 30/2000 10:00 a.m.

2950995 Canada Inc., 153114 Canada Inc., Micheline Charest and Ronald A. Weinberg

s. 127
Ms. S. Oseni in attendance for staff.

Panel: HIW / MPC / RSP

Jul 19/2000 10:00 a.m.

Otis-Winston Ltd. Xillix Technologies Corp., and Digital Cybernet Corporation

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Jul 31/2000-Aug18/2000 10:000 a.m.

Paul Tindall and David Singh

s. 127
Ms. M. Sopinka in attendance for staff.

Panel: TBA

May 7, 2001 10:00 a.m.

YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths Mcburney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)

s. 127
Mr. I. Smith in attendance for staff.

Panel: HW / DB / MPC

ADJOURNED SINE DIE

DJL Capital Corp. and Dennis John Little

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

Irvine James Dyck

M.C.J.C. Holdings Inc. and Michael Cowpland

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

S. B. McLaughlin

2950995 Canada Inc., 153114 Canada Inc., Robert Armstrong, Jack Austin, Suzanne Ayscough, Mary Bradley, Gustavo Candiani, Patricia Carson, Stephen Carson, Lucy Caterina, Micheline Charest, Mark Chernin, Alison Clarke, Susannah Cobbold, Marie-Josée Corbeil, Janet Dellosa, François Deschamps, Marie-Louise Donald, Kelly Elwood, David Ferguson, Louis Fournier, Jean Gauvin, Jeffrey Gerstein, Benny Golan, Menachem Hafsari, Amir Halevy, Jerry Hargadon, Karen Hilderbrand, Jorn Jessen, Bruce J. Kaufman, Mohamed Hafiz Khan, Kathy Kelley, Phillip Kelley, Lori Evans Lama, Patricia Lavoie, Michael Légaré, Pierre H. Lessard, Carol Lobissier, Raymond McManus, Michael Mayberry, Sharon Mayberry, Peter Moss, Mark Neiss, Gideon Nimoy, Hasanain Panju, Andrew Porporino, Stephen F. Reitman, John Reynolds, Mario Ricci, Louise Sansregret, Cassandra Schafhausen, Andrew Tait, Lesley Taylor, Kim M. Thompson, Daniel Tierney, Barrie Usher, Ronald A. Weinberg, Lawrence P. Yelin and Kath Yelland

PROVINCIAL DIVISION PROCEEDINGS

Date	Proceeding
Date to be announced	**Michael Cowpland and M.C.J.C. Holdings Inc.** s. 122 Ms. M. Sopinka in attendance for staff. Courtroom 122, Provincial Offences Court Old City Hall, Toronto
June 20/2000 July 21/2000 10:00 a.m.	**Glen Harvey Harper** s.122(1)(c) Mr. J. Naster in attendance for staff. Courtroom 121, Provincial Offences Court Old City Hall, Toronto
June 26/200 9:00 a.m.	**Einar Bellfield** s. 122 Ms. K. Manarin in attendance for staff. Courtroom C, Provincial Offences Court Old City Hall, Toronto
July 11/2000 July 18/2000 9:00 a.m.	**Arnold Guettler, Neo-Form North America Corp. and Neo-Form Corporation** s. 122(1)(c) Mr. D. Ferris in attendance for staff. Court Room No. 124, Provincial Offences Court Old City Hall, Toronto
Aug 22/2000 10:00 a.m. Pre-trial Conference Oct 10/2000 - Nov 3/2000 Trial	**Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall** s. 122 Ms. J. Superina in attendance for staff. Court Room No. 9 114 Worsley Street Barrie, Ontario

Oct 16/2000 - Dec 22/2000 10:00 a.m.	**John Bernard Felderhof** Mssrs. J. Naster and I. Smith for staff. Courtroom TBA, Provincial Offences Court Old City Hall, Toronto
Dec 4/2000 Dec 5/2000 Dec 6/2000 Dec 7/2000 9:00 a.m. Courtroom N	**1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod** s. 122 Mr. D. Ferris in attendance for staff. Provincial Offences Court Old City Hall, Toronto

Reference: John Stevenson
Secretary to the
Ontario Securities Commission
(416) 593-8145

1.1.2 Mutual Fund Dealers Association of Canada -- including Proposed Rule 31-506 SRO Membership - Mutual Fund Dealers and the MFDA Recognition Application

MUTUAL FUND DEALERS ASSOCIATION OF CANADA - INCLUDING PROPOSED RULE 31-506 SRO MEMBERSHIP - MUTUAL FUND DEALERS AND THE MFDA RECOGNITION APPLICATION

The Commission is releasing today a Notice of Proposed Changes to Proposed Rule 31-506 SRO Membership - Mutual Fund Dealers, along with proposed Rule 31-506. Commentators are invited to provide comments on the changes to proposed Rule 31-506 within the comment period which ends on July 17, 2000. The Commission is also releasing a Notice of Application by the Mutual Fund Dealers Association of Canada for Recognition as a Self-Regulatory Organization. This Notice is accompanied by the proposed Criteria the Commission proposes to use in assessing the application of the MFDA, the MFDA recognition application and the draft By-law and Rules of the MFDA. Commentators are invited to provide comments on the MFDA Recognition Application, including the draft By-law and Rules within the comment period which ends on September 14, 2000.

All documents referred to above are being published in a Special Supplement to the Bulletin entitled "Mutual Fund Dealers Association".

1.1.3 NI 81-102 and Companion Policy 81-101CP (Mutual Funds) and to NI 81-101 and Companion Policy 81-101CP (Mutual Fund Prospectus Disclosure) - Proposed Amendments

NOTICE OF PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 81-102
AND COMPANION POLICY 81-102CP
MUTUAL FUNDS
AND TO
NATIONAL INSTRUMENT 81-101
AND COMPANION POLICY 81-101CP
MUTUAL FUND PROSPECTUS DISCLOSURE,
AND
FORM 81-101F1
CONTENTS OF SIMPLIFIED PROSPECTUS
AND
FORM 81-101F2
CONTENTS OF ANNUAL INFORMATION FORM

The Commission is publishing for comment in this issue of the OSC Bulletin a Notice of Proposed Amendments to National Instrument 81-102 and Companion Policy 81-102CP Mutual Funds, National Instrument 81-101 and Companion Policy 81-101CP Mutual Fund Prospectus Disclosure, Form 81-101F1 Contents of Simplified Prospectus and Form 81-101F2 Contents of Annual Information Form. The proposed amendments follow the Notice of Proposed Amendments and address the following:

- elimination of the concentration restriction for index mutual funds;
- enhanced prospectus disclosure requirements for index mutual funds;
- publication of a "rolling" 12 month management expense ratio;
- disclosure requirements re: multi-class funds;
- miscellaneous amendments.

The Notice of Proposed Amendments and the proposed amendments can be found in Chapter 6 of this Bulletin.

1.1.4 NI 55-101 Exemption from Certain Insider Reporting Requirements

NOTICE OF PROPOSED
NATIONAL INSTRUMENT 55-101
EXEMPTION FROM CERTAIN INSIDER
REPORTING REQUIREMENTS

The Commission is publishing the following documents in today's Bulletin:

- Notice of Proposed Changes to National Instrument 55-101 and Companion Policy 55-102CP Exemption from Certain Insider Reporting Requirements and Rescission of OSC Policy 10.1 Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers.

- Proposed National Instrument 55-101 Exemption from Certain Insider Reporting Requirements

- Proposed Companion Policy 55-101 CP

The documents are published in Chapter 6 of the Bulletin.

1.1.5 Proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI)

NOTICE OF PROPOSED NATIONAL INSTRUMENT 55-102
SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

The Commission is publishing the following documents in today's Bulletin in connection with the System for Electronic Data on Insiders (SEDI):

- Notice of Proposed National Instrument 55-102, Forms 55-102F1, 55-102F2, 55-102F3, 55-102F4, 55-102F5, Companion Policy Statement 55-102CP System for Electronic Data on Insiders (SEDI)
- Proposed Rule 55-102 System for Electronic Data on Insiders (SEDI)
- Proposed Forms 55-102F1, 55-102F2, 55-102F3, 55-102F4 and 55-102F5
- Proposed Companion Policy Statement 55-102CP

The documents are published in Chapter 6 of the Bulletin.

1.1.6 OSC Staff Notice 51-703 - Implementation of Reporting Issuer Continuous Disclosure Review Program, Corporate Finance Branch

ONTARIO SECURITIES COMMISSION
STAFF NOTICE 51-703
IMPLEMENTATION OF REPORTING ISSUER
CONTINUOUS DISCLOSURE REVIEW PROGRAM,
CORPORATE FINANCE BRANCH

The quality and timeliness of information disclosed to the capital markets by reporting issuers ("RI's") pursuant to the continuous disclosure ("CD") obligations under the *Securities Act* (Ontario) (the "Act") has always been a focus of the Ontario Securities Commission ("OSC"). However, in order to better focus attention on this area, last year the OSC created a Continuous Disclosure Team within its Corporate Finance Branch solely dedicated to CD issues. The Continuous Disclosure Team is responsible for:

- the review of continuous disclosure filings made by RI's;
- addressing policy issues in the area of continuous disclosure; and
- monitoring of external sources (such as the press) for possible CD issues.

The Continuous Disclosure Team currently has 16 members including; lawyers, accountants, financial examiners and support staff.

The goals of the Continuous Disclosure Team include:

- increasing awareness of continuous disclosure issues; and
- effecting greater discipline in the marketplace with respect to continuous disclosure requirements and obligations under the Act.

Over the past year, the Continuous Disclosure Team has focussed the majority of its attention on policy matters in the CD area including:

- surveying issuers on their corporate disclosure practices;
- proposing a rule to enhance annual and interim reporting (Proposed Rule 52-501 Financial Statements);
- proposing a rule to enhance AIF and MD&A disclosure (Proposed Rule 51-501 AIF & MD&A ;
- proposing a policy which outlines the OSC's views regarding filing defaults and the use of cease trade orders (Proposed OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements); and
- development of a national electronic insider trade reporting system.

These policy initiatives were in addition to conducting CD reviews. Over 90 files were opened in the fiscal year ended March 31, 2000. The CD reviews conducted to date have

focussed on the following types of issues: Y2K disclosure, selective disclosure, timely disclosure, accounting issues, and qualified audit reports. The majority of these reviews were initiated based on monitoring press articles, complaints from the public and referrals from other OSC branches.

Beginning July 1, 2000, the Continuous Disclosure Team will commence the full-scale implementation of the OSC's CD Review Program, consistent with the recommendations of the Allen Committee and the SEC's stated approach. The CD Review Program will result in every RI being reviewed on a regular basis. The OSC's goal is for RI's with an Ontario head office to be subject to a CD review, on average, once every four years.

In order to prepare RI's for the full-scale implementation, staff is using this Notice to communicate the general features of the CD Review Program as well as the impact our increased focus on continuous disclosure will have on prospectus and rights offering circular reviews performed by staff.

What is a CD Review?

RI's will be subject to either a full, issue-oriented or limited review based on selective review criteria. Like the selective review approach to prospectus review, the responsibility for full compliance with applicable securities legislation, policies and practices remains with RI's and their advisors. The fact that a RI has not been selected for full review in a given year in no way detracts from such responsibility. These levels of CD review are similar to those used by the Corporate Finance teams in the review of prospectus filings. The Continuous Disclosure Team is also responsible for the review of insider trade report filings. The following is a summary of what each of these reviews would entail.

Full Review

A RI selected for a full review will have, at a minimum, its entire continuous disclosure record for the past year reviewed by the Continuous Disclosure Team. The financial statement review will cover a two year period. In certain cases, staff will extend the scope of the review to prior years depending on the results of staff's initial review of the disclosure record.

A full review typically encompasses a RI's financial disclosure (including interim and annual financial statements) as well as other types of corporate disclosure including AIFs, MD&A, material change reports, proxy circulars, information circulars and press releases as well as a review of the issuer's web site. Staff also typically monitors press articles and other sources such as public complaints concerning the RI as a means of gathering information about the RI and its disclosure practices. The review may also include a review of trading activity, industry data, analysts' reports, transcripts of investor/analyst meetings and Internet Bulletin Boards, as appropriate.

Issue-oriented Review

An issue-oriented review will focus on a specific issue or possibly a particular industry. Examples of future reviews include the review of interim reports, MD&A, proxy materials, executive compensation disclosure, or review for compliance with new accounting standards.

Limited Review

A limited review will encompass a smaller portion of a RI's continuous disclosure record. Generally, if no significant issues were noted as a result of this review, staff will notify the RI that the review has been completed.

Insider Trade Report Review

Within the Continuous Disclosure Team certain staff have been dedicated to the review of insider trade report filings on an ongoing basis. The implementation of a national electronic insider trade reporting system later this year will facilitate even greater scrutiny of insider trade reports by staff of the Continuous Disclosure Team.

Insider Trade Report reviews will normally be conducted separate and apart from the team's review of continuous disclosure filings made by RI's. However, circumstances may warrant the review of a RI and trade reporting by its Insiders concurrently.

How will Reporting Issuers be Selected for Review?

Certain RI's will be selected for review depending on the application of selective review criteria. Criteria have been designed to select RI's in a given year where there appears to staff to be greater risk that disclosure issues may exist. Factors that will be considered when selecting a RI for review include, but are not limited to, the following: the length of time since the last CD review by staff, a change in auditor, unusual fluctuations in earnings (outside industry norms), unusual Canadian/U.S. GAAP reconciliation items or a history of prior defaults or prior non-compliance with securities requirements. Since the selection process is risked based, some RI's may be reviewed more frequently than others due to staff's assessment of their risk profile.

What is the CD Review Process?

When a RI is selected for CD review a notification letter will be sent to it notifying it that it has been selected for a CD review and indicating the type of CD review (full, issue-oriented or basic). Depending on the nature of the issues identified during the CD review the RI will either receive a comment letter or notification that the review has been completed.

The initial comment letter will request a response in writing within 2 to 4 weeks of the date of the letter, depending on the complexity of the request. If necessary, additional comment letters will follow. Staff expect RI's to provide their response within the specified time frame and will generally not grant extensions. Adherence to the time frames is necessary to ensure timely resolution of issues. RI's should note that a comprehensive, complete response will allow staff to complete the CD review in an effective and timely manner and reduce the amount of follow up necessary.

What will the impact of staff's increased focus on CD be to the review of prospectuses and rights offering circulars?

It has been determined that it is appropriate to review a selection of CD materials at the same time as the "full review" of a prospectus. If an RI's prospectus is selected for full

review, at a minimum the RI's website, its most recent annual report, and its material change reports filed in the past year will be reviewed by staff along with the prospectus. The materials selected for review will be noted in the staff's comment letter. The purpose of this expanded review is not to do a full scale CD review at the time of the prospectus review but rather to ensure that any offering-related issues (eg. hyping on websites, inconsistencies between the annual report and material change report(s) disclosure and the prospectus) are identified and resolved during the prospectus review process. This approach remains consistent with staff's statutory mandate to review prospectuses, while at the same time underlines the importance of the continuous disclosure record to the marketplace. This approach will not affect the timing of the staff prospectus review process.

Further, because the initial public offering ("IPO") prospectus comprises, in effect, the base continuous disclosure document for an issuer, all IPO prospectuses filed for which Ontario is the principal regulator under the Mutual Reliance Review System for Prospectuses and Annual Information Forms (the "Prospectus MRRS") will be selected for full prospectus review by the Corporate Finance Teams. IPO prospectuses not filed under the Prospectus MRRS will also be selected for full review.

Corporate Finance Staff will also consider the issuer's CD as part of its review of rights offering circulars.

How often will a RI be selected for CD review?

The goal of the review program is to review RI's on average once every four years, or put another way, to review approximately 25% of issuers each year. As noted above, some issuers may be selected more often, others less often. Consistent with the SEC's approach, staff plans to achieve this through a combination of reviews of continuous disclosure information and reviews of prospectuses and other offering documents.

How will issues identified in a CD review be resolved?

Staff will work with RI's to resolve issues in a timely manner and will be aggressive in pursuing matters arising from continuous disclosure reviews and enforcing the requirements of the Act through all available means. The Corporate Finance Branch works closely with the Enforcement Branch when determining the type of regulatory action necessary when staff believes a RI has breached the Act.

Is this a CSA initiative?

The CSA Continuous Disclosure Mutual Reliance Review System ("CD MRRS") committee is working towards developing a system of mutual reliance for continuous disclosure review. A CD MRRS approach is a vital part of a successful continuous disclosure review program to ensure all RI's in Canada are treated equitably regardless of their principal regulator.

For further information, please contact:

Continuous Disclosure Team

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June 16, 2000

1.2 Notice of Hearings

1.2.1 Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson - s. 127

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

AND

IN THE MATTER OF
CLIFFORD M. JAMES, NEIL D.S. WESTOLL,
WILFRID A. LOUCKS, JAN R. HOREJSI AND RONALD J. SIMPSON

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 475 Yonge St., College Room (Courtyard Marriott), Toronto, Ontario commencing on the 16th day of June, at 2:00pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Rift Resources Ltd. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 2nd, 2000.

"John Stevenson"

1.2.2 Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson - Statement of Allegations

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

AND

IN THE MATTER OF
CLIFFORD M. JAMES, NEIL D.S. WESTOLL,
WILFRID A. LOUCKS, JAN R. HOREJSI AND RONALD J. SIMPSON

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Rift Resources Ltd. ("Rift") is incorporated under the laws of Canada. Rift is a reporting issuer in Ontario. Shares of Rift trade on the CDNX.

2. Each of Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Rift ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Rift) or individual that has, or may have, access to material undisclosed information.

3. Rift failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Rift that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Rift until such time as all disclosure required by Ontario securities law has been made by Rift.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Rift by the Respondents cease until such time as Rift has made all filings it is required to make under Ontario securities law.

1.2.3 H. Howard Cooper, Thomas L. Digrappa, Frank S. Digrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited - s. 127

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

AND

IN THE MATTER OF
H. HOWARD COOPER, THOMAS L. DIGRAPPA,
FRANK S. DIGRAPPA, MARY THERESE PAGLIASOTTI,
CROESUS EMERGING MARKETS RESOURCE FUND
LLC AND TETON OIL USA LIMITED

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 23rd day of June, at 10:00am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Teton Petroleum Company any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 9th, 2000.

"John Stevenson"

1.2.4 H. Howard Cooper, Thomas L. Digrappa, Frank S. Digrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited -Statement of Allegations

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

AND

IN THE MATTER OF
H. HOWARD COOPER, THOMAS L. DIGRAPPA,
FRANK S. DIGRAPPA, MARY THERESE PAGLIASOTTI,
CROESUS EMERGING MARKETS RESOURCE
FUND LLC AND TETON OIL USA LIMITED

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Teton Petroleum Company ("Teton") is incorporated under the laws of Canada. Teton is a reporting issuer in Ontario.

2. Each of H. Howard Cooper, Thomas L. DiGrappa, Frank S. DiGrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Teton ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Teton) or individual that has, or may have, access to material undisclosed information.

3. Teton failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Teton that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Teton until such time as all disclosure required by Ontario securities law has been made by Teton.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Teton by the Respondents cease until such time as Teton has made all filings it is required to make under Ontario securities law.

1.2.5 Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett - s. 127

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

AND

IN THE MATTER OF ANDREW THOMSON, PETER BOJTOS, LEN SPRAGGETT and SEAN SPRAGGETT

NOTICE OF HEARING (Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 475 Yonge Street, College Room (Courtyard Marriott), Toronto, Ontario commencing on the 16th day of June, 2000 at 10:00 am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Link Mineral Ventures Limited by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 2nd, 2000.

"John Stevenson"

1.2.6 Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett - Statement of Allegations

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

AND

IN THE MATTER OF ANDREW THOMSON, PETER BOJTOS, LEN SPRAGGETT and SEAN SPRAGGETT

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

1. Link Mineral Ventures Limited ("Link") is incorporated under the laws of Canada. Link is a reporting issuer in Ontario.

2. Each of Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Link ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Link) or individual that has, or may have, access to material undisclosed information.

3. Link failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Link that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Link until such time as all disclosure required by Ontario securities law has been made by Link.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Link by the Respondents cease until such time as Link has made all filings it is required to make under Ontario securities law.

1.2.7 Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise De Boer - s. 127

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

AND

IN THE MATTER OF
DOUG DE BOER, BOUGAINVILLEA HOLDINGS INC.,
PAT HICKEY AND EISE DE BOER

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at
20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 23rd day of June, at 11:00am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of GDL Evergreen Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 9th, 2000.

"John Stevenson"

1.2.8 Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise De Boer - Statement of Allegations

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

AND

IN THE MATTER OF
DOUG DE BOER, BOUGAINVILLEA HOLDINGS INC.,
PAT HICKEY AND EISE DE BOER

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. GDL Evergreen Inc. ("GDL") is incorporated under the laws of Canada. GDL is a reporting issuer in Ontario.

2. Each of Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise de Boer (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of GDL ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of GDL) or individual that has, or may have, access to material undisclosed information.

3. GDL failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of GDL that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of GDL until such time as all disclosure required by Ontario securities law has been made by GDL.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of GDL by the Respondents cease until such time as GDL has made all filings it is required to make under Ontario securities law.

1.2.9 John Tuzyk, Patricia Sheahan, and Loucas C. Pouroulis - s. 127

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

AND

IN THE MATTER OF
JOHN TUZYK, PATRICIA SHEAHAN,
and LOUCAS C. POUROULIS

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 475 Yonge Street, College Room (Courtyard Marriott), Toronto, Ontario commencing on the 16th day of June, 2000, at 3:00 pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Redaurum Limited by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 2nd, 2000.

"John Stevenson"

1.2.10 John Tuzyk, Patricia Sheahan, and Loucas C. Pouroulis - Statement of Allegations

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

AND

IN THE MATTER OF
JOHN TUZYK, PATRICIA SHEAHAN,
and LOUCAS C. POUROULIS

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Redaurum Limited ("Redaurum") is incorporated under the laws of Canada. Redaurum is a reporting issuer in Ontario.

2. Each of John Tuzyk, Patricia Sheahan and Loucas C. Pouroulis (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year of Redaurum ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Redaurum) or individual that has, or may have, access to material undisclosed information.

3. Redaurum failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Redaurum that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Redaurum until such time as all disclosure required by Ontario securities law has been made by Redaurum.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Redaurum by the Respondents cease until such time as Redaurum has made all filings it is required to make under Ontario securities law.

1.2.11 Richard Opekar, Robert Opekar, John A. Tindale, William Burt and Laver Limited - s. 127

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

AND

IN THE MATTER OF
RICHARD OPEKAR, ROBERT OPEKAR,
JOHN A. TINDALE, WILLIAM BURT AND LAVER LIMITED

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June 2000, at 4 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Wollasco Minerals Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"Rose Gomme"

1.2.12 Richard Opekar, Robert Opekar, John A. Tindale, William Burt and Laver Limited - Statement of Allegations

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

AND

IN THE MATTER OF
RICHARD OPEKAR, ROBERT OPEKAR,
JOHN A. TINDALE, WILLIAM BURT AND LAVER LIMITED

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Wollasco Minerals Inc. ("Wollasco") is incorporated under the laws of Canada. Wollasco is a reporting issuer in Ontario.

2. Each of Richard Opekar, Robert Opekar, John A. Tindale, William Burt and Laver Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Wollasco ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Wollasco) or individual that has, or may have, access to material undisclosed information.

3. Wollasco failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Wollasco that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Wollasco until such time as all disclosure required by Ontario securities law has been made by Wollasco.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Wollasco by the Respondents cease until such time as Wollasco has made all filings it is required to make under Ontario securities law.

1.2.13 Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai - s. 127

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

AND

IN THE MATTER OF
GARY A. FITCHETT, LLOYD E. DOVE,
LEON H. GOUZOULES, PAUL D. MACK AND EDWARD LAI

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June 2000, at 4:00 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of IBI Corporation by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"John Stevenson"

1.2.14 Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai - Statement of Allegations

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

AND

IN THE MATTER OF
GARY A. FITCHETT, LLOYD E. DOVE,
LEON H. GOUZOULES, PAUL D. MACK AND EDWARD LAI

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. IBI Corporation ("IBI") is incorporated under the laws of Canada. IBI is a reporting issuer in Ontario.

2. Each of Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of IBI ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of IBI) or individual that has, or may have, access to material undisclosed information.

3. IBI failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of IBI that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of IBI until such time as all disclosure required by Ontario securities law has been made by IBI.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of IBI by the Respondents cease until such time as IBI has made all filings it is required to make under Ontario securities law.

1.2.15 David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo - S. 127

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

AND

IN THE MATTER OF
DAVID NUNN, MICHAEL M. REDDY,
LORNE J. GELLENY AND BARRY J. RACIPPO

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June 2000, at 3:30 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Kingscross Communities Incorporated by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"John Stevenson"

1.2.16 David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo - Statement of Allegations

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

AND

IN THE MATTER OF
DAVID NUNN, MICHAEL M. REDDY,
LORNE J. GELLENY AND BARRY J. RACIPPO

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Kingscross Communities Incorporated ("Kingscross") is incorporated under the laws of Canada. Kingscross is a reporting issuer in Ontario.

2. Each of David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Kingscross ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Kingscross) or individual that has, or may have, access to material undisclosed information.

3. Kingscross failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Kingscross that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Kingscross until such time as all disclosure required by Ontario securities law has been made by Kingscross.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Kingscross by the Respondents cease until such time as Kingscross has made all filings it is required to make under Ontario securities law.

1.2.17 Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp. - s. 127

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

AND

IN THE MATTER OF
BRUCE ANTHONY, WAYNE D. COCKBURN,
BOB KENNEDY, RONALD S. RITCHIE, PETER J. SMITH,
DOUGLAS C. WITHERSPOON, FIRST BASE LINE
COMMUNICATIONS INC. AND SECOND BASE
DEVELOPMENT CORP.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June 2000, at 3 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Futureline Communications Co. Ltd. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"John Stevenson"

1.2.18 Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp. - Statement of Allegations

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

AND

IN THE MATTER OF
BRUCE ANTHONY, WAYNE D. COCKBURN, BOB
KENNEDY, RONALD S. RITCHIE, PETER J. SMITH,
DOUGLAS C. WITHERSPOON,
FIRST BASE LINE COMMUNICATIONS INC. AND
SECOND BASE DEVELOPMENT CORP.

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Futureline Communications Co. Ltd. ("Futureline") is incorporated under the laws of Canada. Futureline is a reporting issuer in Ontario.

2. Each of Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp. (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Futureline ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Futureline) or individual that has, or may have, access to material undisclosed information.

3. Futureline failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Futureline that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Futureline until such time as all disclosure required by Ontario securities law has been made by Futureline.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Futureline by the Respondents cease until such time as Futureline has made all filings it is required to make under Ontario securities law.

1.2.19 Chris Cook, Louis Manzo, Sam DeBartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danis, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited - s. 127

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

AND

IN THE MATTER OF
CHRIS COOK, LOUIS MANZO, SAM DeBARTOLO, ROGER D. TIMPSON,
TOM WEBER, CLAUDE VEILLETTE, DANIEL DANIS, PIERRE DANIS, NEIL HINDLE, PATRICK LAVOIE, STEVEN KISS and RED CASTLE LIMITED

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D, (Offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 23rd day of June, 2000, at 12:00 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of gearunlimited.com Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 9th, 2000.

"Rose Gomme"

1.2.20 Chris Cook, Louis Manzo, Sam DeBartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danis, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited - Statement of Allegations

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

AND

IN THE MATTER OF
CHRIS COOK, LOUIS MANZO, SAM DeBARTOLO, ROGER D. TIMPSON,
TOM WEBER, CLAUDE VEILLETTE, DANIEL DANIS, PIERRE DANIS, NEIL HINDLE, PATRICK LAVOIE, STEVEN KISS and RED CASTLE LIMITED

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

1. gearunlimited.com Inc. ("gearunlimited") is incorporated under the laws of Canada. gearunlimited is a reporting issuer in Ontario.

2. Each of Chris Cook, Louie Manzo, Sam DeBartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danies, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of gearunlimited ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of gearunlimited) or individual that has, or may have, access to material undisclosed information.

3. gearunlimited failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of gearunlimited that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of gearunlimited until such time as all disclosure required by Ontario securities law has been made by gearunlimited.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of gearunlimited by the Respondents cease until such time as gearunlimited has made all filings it is required to make under Ontario securities law.

1.2.21 Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm - s. 127

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

AND

IN THE MATTER OF
HUBERT J. MOCKLER, KENNETH J. MURTON, ROBERT E. BELLAMY, PAUL F. BLACK, MICHAEL W. MANLEY, FREDERICK KNIGHT, STEPHEN R. SHAVER, FRANCISCO F. VIDAL, DOUGLAS A. MACKENZIE AND RODERICK CHISHOLM

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 23rd day of June, at 11:00am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Canuc Resources Corporation by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 9th, 2000.

"Rose Gomme"

1.2.22 Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm - Statement of Allegations

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

AND

IN THE MATTER OF
HUBERT J. MOCKLER, KENNETH J. MURTON, ROBERT E. BELLAMY, PAUL F. BLACK, MICHAEL W. MANLEY, FREDERICK KNIGHT, STEPHEN R. SHAVER, FRANCISCO F. VIDAL, DOUGLAS A. MACKENZIE AND RODERICK CHISHOLM

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Canuc Resources Corporation ("Canuc") is incorporated under the laws of Canada. Canuc is a reporting issuer in Ontario. Shares of Canuc trade on CDNX.

2. Each of Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year of Canuc ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Canuc) or individual that has, or may have, access to material undisclosed information.

3. Canuc failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Canuc that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Canuc until such time as all disclosure required by Ontario securities law has been made by Canuc.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Canuc by the Respondents cease until such time as Canuc has made all filings it is required to make under Ontario securities law.

1.2.23 John R. Hart, Maxim C.W. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri - s. 127

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

AND

IN THE MATTER OF JOHN R. HART, MAXIM C.W. WEBB, PETER WOOD, JAMES JIANG, SHEILA C. FERGUSON, JAMES F. MOSIER, PICO HOLDINGS, INC., IMPRIMUS INVESTORS, LLC AND JOHN T. PERRI

NOTICE OF HEARING (Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at
20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June, at 2:00pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Conex Continental Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"Rose Gomme"

1.2.24 John R. Hart, Maxim C.w. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri - Statement of Allegations

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

AND

IN THE MATTER OF JOHN R. HART, MAXIM C.W. WEBB, PETER WOOD, JAMES JIANG, SHEILA C. FERGUSON, JAMES F. MOSIER, PICO HOLDINGS, INC., IMPRIMUS INVESTORS, LLC AND JOHN T. PERRI

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

1. Conex International ("Conex") is incorporated under the laws of Canada. Conex is a reporting issuer in Ontario.

2. Each of John R. Hart, Maxim C.W. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Conex ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Conex) or individual that has, or may have, access to material undisclosed information.

3. Conex failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Conex that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Conex until such time as all disclosure required by Ontario securities law has been made by Conex.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Conex by the Respondents cease until such time as Conex has made all filings it is required to make under Ontario securities law.

1.2.25 Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd. - s. 127

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

AND

IN THE MATTER OF
ALBERTO COPPO, DOUGLAS EACRETT, HANS-JÖRG HUNGERLAND, LINK MURRAY, MARCUS NEW, MICHAEL P.W. SPENGEMANN, LIGHTHOUSE HOLDINGS INC. AND
PKM PORTFOLIO SERVICES LTD.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June, at 12:00pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Golden Maritime Resources Ltd. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"Rose Gomme"

1.2.26 Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd. - Statement of Allegations

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

AND

IN THE MATTER OF
ALBERTO COPPO, DOUGLAS EACRETT, HANS-JÖRG HUNGERLAND, LINK MURRAY, MARCUS NEW, MICHAEL P.W. SPENGEMANN, LIGHTHOUSE HOLDINGS INC. AND
PKM PORTFOLIO SERVICES LTD.

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Golden Maritime Resources Ltd. ("Golden") is incorporated under the laws of Canada. Golden is a reporting issuer in Ontario.

2. Each of Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd. (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Golden ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Golden) or individual that has, or may have, access to material undisclosed information.

3. Golden failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Golden that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Golden until such time as all disclosure required by Ontario securities law has been made by Golden.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Golden by the Respondents cease until such time as Golden has made all filings it is required to make under Ontario securities law.

1.2.27 Michael Zuk, Michael Shvey, Richard Hamilton and John Winter - s. 127

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

AND

**IN THE MATTER OF
MICHAEL ZUK, MICHAEL SHVEY,
RICHARD HAMILTON and JOHN WINTER**

**NOTICE OF HEARING
(Section 127)**

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D, (Offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June, 2000 at 11:00 am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Dura Products International Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"Rose Gomme"

1.2.28 Michael Zuk, Michael Shvey, Richard Hamilton and John Winter - Statement of Allegations

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

AND

**IN THE MATTER OF
MICHAEL ZUK, MICHAEL SHVEY, RICHARD HAMILTON
and JOHN WINTER**

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

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

1. Dura Products International Inc. ("Dura") is incorporated under the laws of Canada. Dura is a reporting issuer in Ontario.

2. Each of Michael Zuk, Michael Shvey, Richard Hamilton and John Winter (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Dura ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Dura) or individual that has, or may have, access to material undisclosed information.

3. Dura failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Dura that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Dura until such time as all disclosure required by Ontario securities law has been made by Dura.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Dura by the Respondents cease until such time as Dura has made all filings it is required to make under Ontario securities law.

1.2.29 Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc. - s. 127

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

AND

IN THE MATTER OF
DEREK TENNANT, KATHLEEN HARRIS,
WILLIAM DIXON, and UKSTAR (CANADA) INC.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (Offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 22nd day of June, 2000 at 10:00 a.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Eco Technologies International Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 8th, 2000.

"Rose Gomme"

1.2.30 Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc. - Statement of Allegations

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

AND

IN THE MATTER OF
DEREK TENNANT, KATHLEEN HARRIS,
WILLIAM DIXON, and UKSTAR (CANADA) INC.

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Eco Technologies International Inc. ("Eco") is incorporated under the laws of Canada. Eco is a reporting issuer in Ontario.

2. Each of Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc. (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Eco ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Eco) or individual that has, or may have, access to material undisclosed information.

3. Eco failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Eco that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Eco until such time as all disclosure required by Ontario securities law has been made by Eco.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Eco by the Respondents cease until such time as Eco has made all filings it is required to make under Ontario securities law.

1.2.31 Richard Opekar, Robert Opekar, John A. Tindale and Laver Limited - s. 127

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

AND

IN THE MATTER OF
RICHARD OPEKAR, ROBERT OPEKAR,
JOHN A. TINDALE AND LAVER LIMITED

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 23rd day of June 2000 at 3:00 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Ram Petroleums Limited by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 9th, 2000.

"John Stevenson"

1.2.32 Richard Opekar, Robert Opekar, John A. Tindale and Laver Limited - Statement of Allegations

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

AND

IN THE MATTER OF
RICHARD OPEKAR, ROBERT OPEKAR,
JOHN A. TINDALE AND LAVER LIMITED

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Ram Petroleums Limited ("Ram") is incorporated under the laws of Canada. Ram is a reporting issuer in Ontario. Shares of Ram trade on The Toronto Stock Exchange.

2. Each of Richard Opekar, Robert Opekar, John A. Tindale and Laver Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Ram ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Ram) or individual that has, or may have, access to material undisclosed information.

3. Ram failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Ram that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Ram until such time as all disclosure required by Ontario securities law has been made by Ram.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Ram by the Respondents cease until such time as Ram has made all filings it is required to make under Ontario securities law.

1.2.33 Rick Vansant, Ron Best, Clare Copeland, Michael Stein, Richard Harshman, Michael Serruya, Norman Winton, Russ Hill, Linda Millage, Steve Dodds and Carol Pipka - s. 127

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

AND

IN THE MATTER OF
RICK VANSANT, RON BEST, CLARE COPELAND, MICHAEL STEIN, RICHARD HARSHMAN, MICHAEL SERRUYA, NORMAN WINTON, RUSS HILL, LINDA MILLAGE, STEVE DODDS
AND CAROL PIPKA

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June 2000, at 3 p.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Moneysworth & Best Shoe Care Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"Rose Gomme"

1.2.34 Rick Vansant, Ron Best, Clare Copeland, Michael Stein, Richard Harshman, Michael Serruya, Norman Winton, Russ Hill, Linda Millage, Steve Dodds and Carol Pipka - Statement of Allegations

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

AND

IN THE MATTER OF
RICK VANSANT, RON BEST, CLARE COPELAND, MICHAEL STEIN, RICHARD HARSHMAN, MICHAEL SERRUYA, NORMAN WINTON, RUSS HILL, LINDA MILLAGE, STEVE DODDS
AND CAROL PIPKA

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. Moneysworth & Best Shoe Care Inc. ("Moneysworth") is incorporated under the laws of Canada. Moneysworth is a reporting issuer in Ontario. Shares of Moneysworth trade on The Toronto Stock Exchange.

2. Each of Rick VanSant, Ron Best, Clare Copeland, Michael Stein, Richard Harshman, Michael Serruya, Norman Winton, Russ Hill, Linda Millage, Steve Dodds, and Carol Pipka (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Moneysworth ended December 31, 1999, a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Moneysworth) or individual that has, or may have, access to material undisclosed information.

3. Moneysworth failed to file annual financial statements for its financial year ended December 31, 1999 on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Moneysworth that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Moneysworth until such time as all disclosure required by Ontario securities law has been made by Moneysworth.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Moneysworth by the Respondents cease until such time as Moneysworth has made all filings it is required to make under Ontario securities law.

1.2.35 Ian Macdonald 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
IAN MACDONALD, J. ROBERT LEE, ROBERT STURGESS, DON WEST, JOHN KYLE, GARY KIRSH, DAN DEAR, BILL E. DUKE, TRI-LEE CAPITAL LTD., TRICAPITAL MANAGEMENT LIMITED, PETALS DÉCOR LTD., DOUG CAKEBREAD, ULDIS STEINBACHS, JACK LEE, ALAN LIPSZYC, FRANK PRINCIPE, DOUG MATTON, BILL DYE, ROGER LUK, DAVID LUCAS, JOE NANNA AND J&K SALES

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at
20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June, at 2:00pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of The Versatech Group Inc. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"John Stevenson"

1.2.36 Ian Macdonald et al. - Statement of Allegations

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

AND

IN THE MATTER OF
IAN MACDONALD, J. ROBERT LEE, ROBERT STURGESS, DON WEST, JOHN KYLE, GARY KIRSH, DAN DEAR, BILL E. DUKE, TRI-LEE CAPITAL LTD., TRICAPITAL MANAGEMENT LIMITED, PETALS DÉCOR LTD., DOUG CAKEBREAD, ULDIS STEINBACHS, JACK LEE, ALAN LIPSZYC, FRANK PRINCIPE, DOUG MATTON, BILL DYE, ROGER LUK, DAVID LUCAS, JOE NANNA AND J&K SALES

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. The Versatech Group Inc. ("Versatech") is incorporated under the laws of Canada. Versatech is a reporting issuer in Ontario.

2. Each of Ian McDonald, J. Robert Lee, Robert Sturgess, Don West, John Kyle, Gary Kirsh, Dan Dear, Bill E. Duke, Tri-Lee Capital Ltd., Tricapital Management Limited, Petals Décor Ltd., Doug Cakebread, Uldis Steinbachs, Jack Lee, Alan Lipszyc, Frank Principe, Doug Matton, Bill Dye, Roger Luk, David Lucas, Joe Nanna and J&K Sales (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Versatech ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Versatech) or individual that has, or may have, access to material undisclosed information.

3. Versatech failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Versatech that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Versatech until such time as all disclosure required by Ontario securities law has been made by Versatech.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Versatech by the Respondents cease until such time as Versatech has made all filings it is required to make under Ontario securities law.

1.2.37 Robert Rice, Gary Lovie, Ming-Kgok (Roger) Lam, Edward Chan, George Mitrovich, L. Murray Eades, Herbert Lee, Harry H. Robinson, and Maureen Espin - s. 127

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

AND

IN THE MATTER OF
ROBERT RICE, GARY LOVIE, MING-KGOK (ROGER) LAM, EDWARD CHAN, GEORGE MITROVICH, L. MURRAY EADES, HERBERT LEE, HARRY H. ROBINSON, and MAUREEN ESPIN

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D (Offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June, 2000 at 11:00 a.m.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Tagalder Incorporated by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"John Stevenson"

1.2.38 Robert Rice, Gary Lovie, Ming-Kgok (Roger) Lam, Edward Chan, George Mitrovich, L. Murray Eades, Herbert Lee, Harry H. Robinson, and Maureen Espin - Statement of Allegations

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

AND

IN THE MATTER OF
ROBERT RICE, GARY LOVIE, MING-KGOK (ROGER) LAM, EDWARD CHAN, GEORGE MITROVICH, L. MURRAY EADES, HERBERT LEE, HARRY H. ROBINSON, and MAUREEN ESPIN

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Tagalder Incorporated ("Tagalder") is incorporated under the laws of Canada. Tagalder is a reporting issuer in Ontario.

2. Each of Robert Rice, Gary Lovie, Ming-Kgok (Roger) Lam, Edward Chan, George Mitrovich, L.Murray Eades, Herbert Lee, Harry H. Robinson, and Maureen Espin (individually the "Respondent", and collectively the "Respondents") is, or was during the financial year of Tagalder ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Tagalder) or individual that has, or may have, access to material undisclosed information.

3. Tagalder failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Tagalder that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Tagalder until such time as all disclosure required by Ontario securities law has been made by Tagalder.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Tagalder by the Respondents cease until such time as Tagalder has made all filings it is required to make under Ontario securities law.

1.2.39 Jack Burnett, Lorne Graham, Donald Hilton, Terry McKay, Mortimer Bistrisky, Michael P. McCloskey, and Shrewsbury S.A. Luxemburg - s. 127

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

AND

IN THE MATTER OF JACK BURNETT, LORNE GRAHAM, DONALD HILTON, TERRY McKAY, MORTIMER BISTRISKY, MICHAEL P. McCLOSKEY, and SHREWSBURY S.A. LUXEMBURG

NOTICE OF HEARING (Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th Floor, Hearing Room D, (Offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June, 2000 at 10:00 am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of SwissLink Financial Corporation by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"John Stevenson"

1.2.40 Jack Burnett, Lorne Graham, Donald Hilton, Terry McKay, Mortimer Bistrisky, Michael P. McCloskey, and Shrewsbury S.A. Luxemburg - Statement of Allegations

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

AND

IN THE MATTER OF JACK BURNETT, LORNE GRAHAM, DONALD HILTON, TERRY McKAY, MORTIMER BISTRISKY, MICHAEL P. McCLOSKEY, and SHREWSBURY S.A. LUXEMBURG

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

1. SwissLink Financial Corporation ("SwissLink") is incorporated under the laws of Canada. SwissLink is a reporting issuer in Ontario.

2. Each of Jack Burnett, Lorne Graham, Donald Hilton, Terry McKay, Mortimer Bistrisky, Michael P. McCloskey, and Shrewsbury S.A. Luxemburg (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Swisslink ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of SwissLink) or individual that has, or may have, access to material undisclosed information.

3. SwissLink failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of SwissLink that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of SwissLink until such time as all disclosure required by Ontario securities law has been made by SwissLink.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of SwissLink by the Respondents cease until such time as SwissLink has made all filings it is required to make under Ontario securities law.

1.2.41 (Michael) Yun Tang, Milton T. Pearson, Kevin S.X. Cai, Qin Hua Joseph Gu, Robert Kay, Maxine Schiott, Kenneth Wiener, Constance Y.F. Mak and Victor Tong - s. 127

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

AND

IN THE MATTER OF
(MICHAEL) YUN TANG, MILTON T. PEARSON, KEVIN S.X. CAI, QIN HUA JOSEPH GU, ROBERT KAY, MAXINE SCHIOTT, KENNETH WIENER, CONSTANCE Y.F. MAK AND VICTOR TONG

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 475 Yonge St., College Room (Courtyard Marriott), Toronto, Ontario commencing on the 16th day of June, at 11:30am.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Worldtek (Canada) Ltd. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 2nd, 2000.

"John Stevenson"

1.2.42 (Michael) Yun Tang, Milton T. Pearson, Kevin S.X. Cai, Qin Hua Joseph Gu, Robert Kay, Maxine Schiott, Kenneth Wiener, Constance Y.F. Mak and Victor Tong - Statement of Allegations

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

AND

IN THE MATTER OF
(MICHAEL) YUN TANG, MILTON T. PEARSON, KEVIN S.X. CAI, QIN HUA JOSEPH GU, ROBERT KAY, MAXINE SCHIOTT, KENNETH WIENER, CONSTANCE Y.F. MAK AND VICTOR TONG

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

1. Worldtek (Canada) Ltd. ("Worldtek") is incorporated under the laws of Canada. Worldtek is a reporting issuer in Ontario. Shares of Worldtek trade on CDNX and on the Toronto Stock Exchange.

2. Each of (Michael) Yun Tang, Milton T. Pearson, Kevin S.X. Cai, Qin Hua Joseph Gu, Robert Kay, Maxine Schiott, Kenneth Wiener, Constance Y.F. Mak and Victor Tong (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Worldtek ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Worldtek) or individual that has, or may have, access to material undisclosed information.

3. Worldtek failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Worldtek that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Worldtek until such time as all disclosure required by Ontario securities law has been made by Worldtek.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Worldtek by the Respondents cease until such time as Worldtek has made all filings it is required to make under Ontario securities law.

1.2.43 Serafino Iacono, Miguel De La Campa and Peter Volk - s. 127

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

AND

IN THE MATTER OF
SERAFINO IACONO, MIGUEL DE LA CAMPA AND
PETER VOLK

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at 20 Dundas Street West, 7th floor, Hearing Room D (offices of the Alcohol and Gaming Commission), Toronto, Ontario commencing on the 21st day of June, at 12:00pm.

TO CONSIDER whether, pursuant to section 127(1) of the Act, it is in the public interest for the Commission to make an order:

(i) that trading, whether direct or indirect, in securities of Chivor Emerald Corporation Ltd. by any of the respondents cease permanently or for such period as the Commission may determine; and/or

(ii) such other order as the Commission may deem appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon 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.

June 7th, 2000.

"John Stevenson"

1.2.44 Serafino Iacono, Miguel De La Campa and Peter Volk - Statement of Allegations

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

AND

IN THE MATTER OF
SERAFINO IACONO, MIGUEL DE LA CAMPA AND
PETER VOLK

STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION

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

1. Chivor Emerald Corporation Ltd. ("Chivor") is incorporated under the laws of Canada. Chivor is a reporting issuer in Ontario. Shares of Chivor are quoted on CDN.

2. Each of Serafino Iacono, Miguel de la Campa and Peter Volk Sales (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year of Chivor ended December 31, 1999 a director, officer, significant shareholder (beneficial ownership of 10% or more of the voting rights of Chivor) or individual that has, or may have, access to material undisclosed information.

3. Chivor failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Chivor that has not been generally disclosed.

5. It would be prejudicial to the public interest to allow the respondents to trade in the securities of Chivor until such time as all disclosure required by Ontario securities law has been made by Chivor.

6. It is therefore in the public interest for the Commission to order that all trading, whether direct or indirect, in the securities of Chivor by the Respondents cease until such time as Chivor has made all filings it is required to make under Ontario securities law.

1.3 News Releases

1.3.1 New Software Designed to Track Illicit Trading Activity

June 15, 2000 **For Immediate Release**

New Software Designed To Track Illicit Trading Activity

TORONTO -- Canadian securities regulators have teamed with Canada's stock exchanges and the RCMP to develop and launch a new computer program that will help detect securities fraud and suspect trading practices.

Known as MICA (Market Integrity Computer Analysis System), the program will recreate the purchase and sales of securities on recognized stock exchanges and dealer markets across the country. One of MICA's key features is the ability to identify which purchaser bought shares from a particular seller. The program will greatly enhance the investigation of market manipulation cases by cutting the time to complete the analysis from months to weeks.

"The ability to match trading activity with various purchasers and sellers gives enforcement branches an investigative tool to find evidence of unscrupulous actions on Canada's capital markets," said Douglas Hyndman, Chair of the Canadian Securities Administrators, the umbrella organization for Canada's 13 provincial and territorial securities commissions, at the CSA Chair's summer meeting. "To maintain the integrity and investor confidence in the Canadian securities industry, we must be able to weed out those who try to manipulate the market."

The MICA system was developed by EFA Software Services Ltd. of Calgary, Alberta, in cooperation with the RCMP, the Alberta, British Columbia, Quebec and Ontario securities commissions, Canadian Venture Exchange, Toronto Stock Exchange, Montreal Exchange, and the Investment Dealers Association.

Investigators from the RCMP, CDNX, ASC, and BCSC were trained on the use of this program in Calgary, May 29 to June 2. Investigators from the RCMP, OSC, TSE, IDA, ME and CVMQ were trained on the system in Toronto, June 5 to 9.

For further details please contact:

George Gunn
Ontario Securities Commission
(416) 593-8288

Mike Bernard
B.C. Securities Commission
(604) 899-6524

Denis Dubé
Commission des valeurs mobilières du Québec
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Gary Cornfield
Alberta Securities Commission
(403) 297-2091

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Supremex Inc. - cl. 104(2)(a)

Headnote

Take-over bid - collateral benefits - lock-up agreements entered into between the offeror and selling securityholders who were employees of offeree or related to such employees - employees agreed to waive their rights under their employment agreements and to enter into non-competition and non-solicitation covenants and the offeror agreed to make certain payments to the employees and grant them a right of first refusal in respect of certain assets - such agreements entered into for reasons other than to increase the value of the consideration paid to the selling securityholders and may be entered into despite the prohibition on collateral agreements

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 97(2) and 104(2)(a)

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

AND

IN THE MATTER OF SUPREMEX INC.

DECISION (clause 104(2)(a))

UPON application (the "Application") by Supremex Inc. ("Supremex") to the Ontario Securities Commission (the "Commission") in connection with Supremex's proposed offer (the "Offer") to purchase all of the outstanding common shares (the "Common Shares") of CML Industries Ltd. ("CML") for a decision pursuant to clause 104(2)(a) of the Act that the agreement (the "Théberge Agreement") entered into among Supremex, Claude Théberge ("Théberge"), certain members of his family, a family trust of which he is a trustee and a private holding company over which he has control (collectively, the "Théberge Family") and the agreement (the "Charbonneau Agreement" and, collectively with the Théberge Agreement, the "Agreements") entered into among Supremex, Gérald Charbonneau ("Charbonneau") and one of his family members (collectively, the "Charbonneau Family" and, together with the Théberge Family, the "Vendors") are being entered into for reasons other than to increase the value of the consideration paid to the Vendors for their Common Shares and may be entered into notwithstanding subsection 97(2) of the Act;

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

AND UPON Supremex having represented to the Commission as follows:

1. Supremex is a corporation governed by the *Canada Business Corporations Act*, is a wholly-owned subsidiary of MailWell Inc. and is not a reporting issuer or the equivalent in any jurisdiction of Canada.

2. CML is a corporation governed by the *Business Corporations Act* (Ontario) (the "OBCA"), is a reporting issuer under the Act and is not on the list of defaulting reporting issuers maintained pursuant to subsection 72(9) of the Act.

3. CML's authorized share capital consists of an unlimited number of Common Shares and First Preference Shares. The Common Shares are listed for trading on The Toronto Stock Exchange (the "TSE"). According to CML's management information circular dated April 20, 2000, as of such date, there were 3,574,038 Common Shares, options to purchase 460,000 Common Shares and debentures convertible into 188,000 Common Shares issued and outstanding. At such date, there were no First Preference Shares issued and outstanding.

4. Supremex currently does not own any Common Shares or securities convertible into Common Shares.

5. Théberge is the Chief Executive Officer and Chairman of CML's Board of Directors (the "Board"). The Théberge Family owns or exercises control or direction over 1,494,466 Common Shares representing approximately 41.8% of the class. In addition, the Théberge Family holds securities convertible into an additional 440,000 Common Shares.

6. Charbonneau is the President and a Director of CML. The Charbonneau Family owns or exercises control or direction over 351,297 Common Shares representing approximately 9.8% of the class. In addition, the Charbonneau Family holds securities convertible into an additional 105,000 Common Shares.

7. Each of Théberge and Charbonneau (collectively, the "Executives") has entered into a written employment agreement (each, an "Employment Agreement") with CML. Pursuant to the Employment Agreements:

   (a) Théberge received in respect of the fiscal year ended January 31, 2000 a base salary of $179,045 and a performance bonus of $269,000;

(b) Charbonneau received in respect of the fiscal year ended January 31, 2000 a base salary $172,767 and a performance bonus of $260,000;

(c) each of the Executives is entitled to receive, if terminated upon a change of ownership influence with respect to CML, a severance payment equal to three times the aggregate amount paid or payable to him for the last completed fiscal year prior to such termination; and

(d) each of the Executives covenanted not to solicit the customers, clients or suppliers of CML for a "restricted period", which restricted period would terminate on the date the Executive ceased to provide services to CML under the Employment Agreement.

8. For the fiscal year ended January 31, 2000, each of the Executives also received $14,400 in respect of directors' fees and premiums on life insurance.

9. Pursuant to the Offer, which was publicly announced on May 10, 2000, Supremex will offer to acquire all of the issued and outstanding Common Shares, including Common Shares to be issued upon the exercise of options to purchase Common Shares and upon the conversion of convertible debentures into Common Shares, for a consideration equal to $6.00 per Common Share (the "Offer Price"). The Offer will be made in compliance with Part XX of the Act, except to the extent exemptive relief is granted hereby, and is expected to be mailed no later than June 9, 2000.

10. In connection with the Offer, Supremex entered into the Agreements with the Vendors on May 10, 2000. The Agreements provide, among other things, that Supremex will make the Offer and the Vendors will deposit to the Offer, and not withdraw, all the Common Shares they own.

11. The Offer Price was arrived at through arm's-length negotiations between Supremex and the Vendors.

12. Pursuant to the Agreements:

(a) each of the Executives has agreed that his respective Employment Agreement shall be terminated and that Supremex and CML are released from any claims, complaints, damages or expenses that he may have in the future against Supremex or CML for any reason in connection with such Employment Agreement (the "Waiver");

(b) each of Executives has agreed that, for a period of three years from the date Supremex takes up and pays for Common Shares under the Offer (the "Effective Date") and without the prior consent of Supremex and CML, he shall not:

(i) carry on or engage in, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any person engaged in any business that is the same as, substantially similar to or competitive with the business carried on by CML (the "Non-Competition Covenant"); and

(ii) directly or indirectly induce or endeavour to induce any employee of CML or Supremex or any of their respective subsidiaries to leave his or her employment, nor shall he employ or attempt to employ or assist any persons to employ any employee of CML or Supremex or any of their respective subsidiaries (the "Non-Solicitation Covenant");

(c) in consideration of the Waivers, Non-Competition Covenants and Non-Solicitation Covenants granted by the Executives, Supremex has agreed to:

(i) pay each of the Executives $1,050,000, through instalment payments of $500,000 on the Effective Date, $300,000 on the second anniversary of the Effective Date and $250,000 on the third anniversary of the Effective Date; and

(ii) grant to each of the Executives a right of first refusal (the "Right of First Refusal") if Supremex decides to sell Precision Fine Paper Inc. ("Precision"), a wholly-owned subsidiary of CML, and/or Specialty Paper Products, a division of CML (collectively, the "Subject Assets"), thereby enabling the Executives, acting jointly, to purchase the Subject Assets within a prescribed time period on the same terms and conditions as those offered by any third party who offers to acquire the Subject Assets.

13. If the Waivers had not been granted and the Executives had been terminated upon a change of ownership influence with respect to CML, Théberge would have been entitled to receive a severance payment under his Employment Agreement equal to $1,387,335 (based upon his compensation in fiscal 1999) and Charbonneau would have been entitled to receive a severance payment under his Employment Agreement equal to $1,341,501 (based upon his compensation in fiscal 1999).

14. The compensation provided to the Executives in the Agreements is reasonable in light of the Waivers and the limits imposed upon them by the Non-Competition and Non- Solicitation Provisions. The Agreements' provisions were negotiated on an arm's-length basis between the Executives and Supremex and reflect commercially reasonable terms that are consistent with current market practices and the amounts payable thereunder are comparable to and not in excess of the current terms of the Executives' employment with CML.

15. The sole purpose of the compensation, including the grant of the Right of First Refusal, provided for in the Agreements is to compensate the Executives for the termination of their employment upon completion of the Offer. The value of the compensation payable to the Executives pursuant to the Agreements is less than the aggregate amount to which they otherwise would have been entitled pursuant to their Employment Agreement. The Agreements have been entered into for valid business reasons unrelated to the Vendors' holdings of Common Shares and for reasons other than to increase the value of the consideration paid to the Vendors for the Common Shares to be deposited by them to the Offer.

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

IT IS hereby decided that pursuant to clause 104(2)(a) of the Act that the Agreements are made for reasons other than to increase the value of the consideration to be paid to the Vendors for their Common Shares and that the Agreements may be entered into notwithstanding subsection 97(2) of the Act.

June 6th, 2000.

"J. A. Geller" "Stephen N. Adams"

2.1.2 AMEC Inc. (formerly AGRA Inc.) - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only one security holder - issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. s. 83.

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF AMEC INC. (FORMERLY AGRA INC.)

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from AMEC Inc. ("AMEC") for a decision pursuant to the securities legislation of each of the Jurisdictions (the "Legislation") that AMEC be deemed to cease to be a reporting issuer or its equivalent under the Legislation;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), Ontario is the principal regulator for this application;

AND WHEREAS AMEC has represented to the Decision Makers that:

1. AMEC was incorporated under the laws of the Canada Business Corporations Act on January 5, 1977 under the name Agra Inc. ("Agra"). On May 15, 2000, Agra's name was changed to AMEC.

2. AMEC is a reporting issuer or its equivalent under the Legislation. The head office of AMEC is in the City of Toronto, Province of Ontario;

3. The authorized capital of AMEC consists of an unlimited number of common shares, of which 32,164,351 common share were issued and outstanding as of April 20, 2000;

4. As a result of a plan of arrangement under the Canada Business Corporations Act on April 20, 2000, the AMEC has only one security holder, Agra Exchangeco Limited;

5. AMEC is not in default of any requirements under the Legislation;

6. AMEC common shares were delisted from the Toronto Stock Exchange effective April 24, 2000. AMEC does not have any of its securities listed on any of the exchanges in Canada;

7. AMEC does not intend to seek public financing by way of an offer of securities.

AND WHEREAS pursuant to the system this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

THE DECISION of the Decision Makers pursant to the Legislation is that AMEC is deemed to have ceased to be a reporting issuer, or its equivalent, under the Legislation.

June 5th, 2000.

"Heidi Franken"

2.1.3 Baytex Energy Ltd. and Bellator Exploration Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - take-over bid for all issued and outstanding securities of a corporation with non-Canadian resident shareholders - offeror offering consideration consisting of combination of cash and its own securities - offeror 's securities not qualified for distribution outside Canada - offeror relieved from identical consideration requirement so as to allow offeror to offer non-Canadians the proceeds of sale of securities of offeree issuer deposited under the take-over bid - severance agreements between offeree and certain of its employees provide for offeree to pay severance payment to the employees in event of change of control - agreement between offeror and offeree that offeror to provide such employees with opportunity to reinvest pre-tax severance payment in flow-through shares of offeror made for business purposes and may be entered into despite the prohibition on collateral agreements in the Legislation.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as amended, ss.97(1) and (2), 104(2)(a) and (c).

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA
ONTARIO, QUEBEC, NEWFOUNDLAND AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF
BAYTEX ENERGY LTD.

AND

IN THE MATTER OF
BELLATOR EXPLORATION INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Nova Scotia (the "Jurisdictions") has received an application from Baytex Energy Ltd. ("Baytex") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that in connection with Baytex's offer (the "Offer") to purchase all of the issued and outstanding common shares (the "Bellator Common Shares") of

Bellator Exploration Inc. ("Bellator") on the basis of $0.75 in cash and 0.165 of a common share of Baytex (a "Baytex Common Share") for each Bellator Common Share accepted for purchase under the Offer:

1.1 Baytex shall be exempt from the requirement in the Legislation to offer all holders of the same class of securities identical consideration (the "Identical Consideration Requirement") insofar as certain holders of Bellator Common Shares who accept the Offer will receive the cash proceeds from the sale of Baytex Common Shares in accordance with the procedure described in paragraph 3.12 below, instead of receiving Baytex Common Shares; and

1.2 despite the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid or issuer bid and any person acting jointly or in concert with the offeror from entering into any collateral agreeement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the "Prohibition on Collateral Agreements"), certain agreements (the "Severance Agreements") that have been or may be entered into among Bellator, certain senior executive officers and employees of Bellator (collectively, the "Employees") and/or Baytex pursuant to which such Employees will be entitled to subscribe for Baytex Canadian exploration expense flow-through shares (the "Baytex Flow-Through Shares") at a purchase price of $13.20 per Baytex Flow-Through on a private placement basis in satisfaction of any obligation by Baytex to make any severance payment to such Employees are made for reasons other than to increase the value of the consideration paid to such Employees for the Bellator Shares they hold and as such the Severance Agreements may be entered into;

2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

3. **AND WHEREAS** Baytex has represented to the Decision Makers that:

3.1 Baytex is a corporation amalgamated under the laws of Alberta. Baytex is a reporting issuer in each of the provinces of Canada and is not in default of any requirement of the Legislation.

3.2 Baytex's authorized capital consists of an unlimited number of Baytex Common Shares, 25,793,465 of which were issued and outstanding as of April 7, 2000.

3.3 The Baytex Common Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE").

3.4 Bellator is a corporation incorporated under the laws of Alberta. It is a reporting issuer in British Columbia, Alberta, Manitoba, and Ontario and is not in default of any requirement of the Legislation.

3.5 Bellator's authorized capital consists of an unlimited number of Bellator Common Shares and an unlimited number of preferred shares (the "Bellator Preferred Shares"). As at April 11, 2000, there were 48,577,011 Bellator Common Shares and no Bellator Preferred Shares issued and outstanding.

3.6 The Bellator Common Shares are listed and posted for trading on the TSE.

3.7 On March 31, 2000, Baytex announced its intention to make the Offer and on April 5, 2000, Bellator and Baytex entered into a definitive acquisition agreement (the "Acquisition Agreement") setting out the terms and conditions upon which Baytex was prepared to make the Offer.

3.8 On April 14, 2000, Baytex mailed the Offer to all holders of Bellator Common Shares (the "Bellator Shareholders").

3.9 The Offer is being made in compliance with the Legislation of the Jurisdictions, except to the extent that exemptive relief is granted in respect of the Identical Consideration Requirement and the Prohibition on Collateral Agreements.

3.10 To the knowledge of Baytex after reasonable inquiry, Bellator Shareholders resident in the United States (collectively, the "U.S. Shareholders") hold, in the aggregate, 18.9% of the outstanding Bellator Common Shares.

3.11 The Baytex Common Shares that may be issued under the Offer have not been and will not be registered or otherwise qualified for distribution pursuant to the securities legislation in the United States or any other jurisdiction outside Canada. Accordingly, the delivery of Baytex Common Shares to U.S. Holders or the citizens or residents of any other jurisdiction outside of Canada where the Baytex Common Shares may not be delivered without further action by Baytex (collectively with "U.S. Holders", the "Non-Canadian Holders") may constitute a violation of the laws of such jurisdictions.

3.12 Baytex proposes to deliver Baytex Common Shares to CIBC Mellon Trust Company (the "Depositary"), for sale of such Baytex Common Shares by the Depositary on behalf of such Non-Canadian Shareholders. All Baytex Common Shares that the Depositary is required to sell will

be pooled and sold by the Depositary on the TSE in a manner that is intended to minimize any adverse effect such a sale could have on the market price of Baytex Common Shares as soon as reasonably possible after the date Baytex first takes up any of the Bellator Common Shares tendered by Non-Canadian Shareholders. As soon as reasonably possible after completion of such sale, and in any event no later than three business days after completion of such sale, the Depositary will deliver to each Non-Canadian Holder whose Baytex Common Shares have been sold by the Depositary a cheque in Canadian funds in an amount equal to such Non-Canadian Holder's *pro rata* share of the proceeds of sale (net of all applicable commissions and withholding taxes) of all Baytex Common Shares sold by the Depositary.

3.13 The Employees, by virtue of their employment with Bellator and Bellator's common law obligations to compensate employees upon termination, or by virtue of the terms of any employment agreement entered into between the Employee and Bellator, have certain rights whereby, if an Employee is terminated upon a change of control of Bellator, such employee shall receive notice from Bellator, or payment in lieu of notice (the "Severance Payment").

3.14 Pursuant to the Acquisition Agreement, Baytex has agreed, among other things, that unless the Acquisition Agreement is terminated or Bellator otherwise agrees in writing, subject to regulatory approvals and upon the condition that the Offer is completed, Baytex shall provide each Employee with the opportunity to reinvest any Severance Payment to which such Employee may become entitled in Baytex Flow-Through Shares at a subscription price of $13.20 per Baytex Flow-Through Share.

3.15 The Severance Agreements were negotiated at arm's length. The Severance Agreements are being made for valid business reasons on commercially reasonable terms unrelated to the Employees' holdings of Bellator Shares and not for the purpose of (a) conferring an economic or collateral benefit on such Employees, in their capacities of Bellator Shareholders, that other Bellator Shareholders do not enjoy; or (b) increasing the value of the consideration to be paid to the Employees pursuant to the Offer.

4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. **AND WHEREAS** 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;

6. **THE DECISION** of the Decision Makers under the Legislation is that in connection with the Offer:

6.1 Baytex is exempt from the Identical Consideration Requirement, insofar as Non-Canadian Holders who accept the Offer will receive the cash proceeds from the Depositary's sale of the Baytex Common Shares in accordance with the procedure set out in paragraph 3.12 above, instead of receiving such Baytex Common Shares.

6.2 the Severance Agreements are being entered into for reasons other than to increase the value of the consideration to be paid to the Employees for their Bellator Shares and such Severance Agreements may be entered into despite the Prohibition on Collateral Agreements.

DATED at Edmonton, Alberta this 17th day of May, 2000.

"Eric T. Spink",
Vice-Chair

"Thomas G. Cooke", Q.C.,
Member

2.1.4 Electrohome Broadcasting Inc. - MRRS Decision

Headnote

1. Mutual Reliance Review system for Exemptive Relief Applications - Issuer has one security holder - issuer deemed to have ceased being a reporting issuer.

2. Issuer deemed to have ceased to be offering its securities to the public under *Ontario Business Corporations Act.*

Applicable Ontario Statutory Provisions

1. Securities Act, R.S.O. 1990, c.S.5, as am. s.83.

2. Business Corporations Act, R.S.O. 1990, c.B.16 as am., ss. 1(6).

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF ELECTROHOME BROADCASTING INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Nova Scotia (the "Jurisdictions") has received an application from Electrohome Broadcasting Inc. (the "Filer") for:

(i) a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to cease to be a reporting issuer or its equivalent under the Legislation; and,

in Ontario only,

(ii) an order pursuant to the *Business Corporations Act* (Ontario) ("OBCA") that the Filer be deemed to have ceased to be offering its securities to the public;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer was incorporated under the OBCA on March 31, 1998 and is a reporting issuer or its equivalent under the Legislation. The head office of the Filer is in Kitchener, Ontario;

2. Pursant to an offer to purchase dated March 14, 2000 and a subsequent compulsory acquisition under the provisions of the OBCA, 1406236 Ontario Inc., a wholly-owned subsidiary of BCE Inc., became the sole holder of all of the issued and outstanding securities of the Filer;

3. The Filer's securities were delisted from the TSE effective May 8, 2000 and there are no securities of the Filer listed or quoted on any exchange or organized market;

4. The Filer does not currently intend to seek public financing by way of an issue of securities; and

5. The Filer is not in default of any of the requirements under the Legislation.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Filer shall be deemed to have ceased to be a reporting issuer under the Legislation;

June 8th, 2000.

"Heidi Franken"

AND IT IS HEREBY ORDERED by the Ontario Securities Commission, pursuant to subsection 1(6) of the OBCA, that the Filer is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA .

June 8th, 2000.

"Howard I. Wetston" "Stephen N. Adams"

2.1.5 Hyal Pharmaceutical Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from registration and prospectus requirements in connection with certain trades of common shares under a debt settlement proposal under the Bankruptcy and Insolvency Act (Canada). First trades deemed a distribution unless company a reporting issuer for 12 months and certain other conditions met.

Applicable Ontario Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 72(5), 74(1).

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF HYAL PHARMACEUTICAL CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Quebec (the "Jurisdictions") has received an application from Hyal Pharmaceutical Corporation (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the registration requirement and prospectus requirement contained in the Legislation (respectively, the "Registration Requirement" and the "Prospectus Requirement") shall not apply to certain trades in the common shares of the Filer to unsecured creditors of the Filer resident in the Jurisdictions (the "Unsecured Creditors") under a proposal (the "Proposal") made under Part III of the *Bankruptcy and Insolvency Act* (Canada) (the "Bankruptcy Act");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Executive Director of the British Columbia Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. the Filer, a corporation incorporated under the laws of the Province of Ontario, is a reporting issuer in each of the Jurisdictions whose head office is located in British Columbia;

2. the share capital of the Filer consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which there are approximately 31,788,676 common shares and no preferred shares issued and outstanding;

3. the common shares of the Filer are listed on the Toronto Stock Exchange, but are currently subject to a cease trade order issued by certain Jurisdictions for a failure to comply with the continuous disclosure reporting obligations under the Legislation of those Jurisdictions;

4. by order of the Superior Court of Justice, Commercial List (the "Court") dated August 16, 1999, PricewaterhouseCoopers Inc. (the "Trustee") was appointed the receiver and manager of the Filer; under the Court order dated August 26, 1999, the marketing plan of the Trustee was approved and the Trustee was directed to proceed in implementing the marketing process for the Filer's assets;

5. As a result of its review of the Filer, the Trustee concluded that the Filer possessed two main assets, being certain intellectual property rights and certain tax benefits;

6. the Trustee entered into an asset purchase agreement dated October 6, 1999 (the "Purchase Agreement") with SkyePharma PLC ("SkyePharma"), the main creditor of the Filer, to purchase the inventory and intellectual property rights of the Filer for a purchase price of $14 million;

7. the purchase under the Purchase Agreement was completed and approved by the Court on October 24, 1999;

8. the purchase price was satisfied in part by the application of an amount equal to all of the unsecured claims owing by the Filer to SkyePharma; to the extent that such amount exceeds SkyePharma's pro rata share of the amount available to the Unsecured Creditors of the Filer and SkyePharma is required to make any payment under its indemnity under Section 4.12 of the Purchase Agreement;

9. on April 19, 2000 the Proposal was filed with the Court and the Trustee;

10. the Proposal was prepared as a plan to restructure the indebtedness of the Filer to satisfy the claims of the Filer's creditors;

11. the Proposal is summarized as follows:

    (a) the following will be paid in full in cash from the cash pool:

        (i) Secured Creditors;

        (ii) preferred claims (which, under the provision of the *Bankruptcy Act* are to paid before the claims of the Unsecured

Creditors); the Trustee is not aware of any preferred claims;

(iii) Trustee's fees and disbursements and those of its counsel, as well as the fees incurred in connection with the preparation of the Proposal (collectively referred to herein as "Professional Costs");

(iv) claims that may be owing to the Government under the trust provisions of the *Income Tax Act*; the Trustee is not aware of such amounts owing; and

(v) goods and services that are purchased by the Filer subsequent to April 19, 2000; at the time of filing of the Proposal, the Filer was not operating and accordingly, no claims in respect of goods supplied or services rendered after April 19, 2000 should arise, other than the Filer's costs with respect to the Proposal;

(b) Unsecured Creditors, referred to as "Ordinary Creditors" in the Proposal, will be paid dividends as follows:

(i) cash dividend equal to an Ordinary Creditor's pro rata share of the balance of the cash pool once Professional Costs and any amounts paid to the claimants referred to in (a) above have been deducted, based on the dollar value of their proven claims as of April 19, 2000; and

(ii) a dividend equal to 7 common shares for every dollar of unpaid proven claim(s) as of April 19, 2000 (i.e. net of the cash paid in paragraph b(i) above), provided that the amount of the shares issued under Section 7(b) of the Proposal do not exceed 14 million shares; in the event that the unpaid portion of Ordinary Creditor's claims exceed $2 million, the 14 million shares will be distributed pro rata to the Ordinary Creditors;

(c) Section s. 7(a) of the Proposal provides, in part, that:

"for the purposes of calculating SkyePharma's pro rata share as an Ordinary Creditor, of the amount available to be distributed to Ordinary Creditors of the [Filer] and of determining the amount, if any, payable by SkyePharma to the Court-appointed Receiver under its indemnity, the amount of SkyePharma's unsecured claim against the [Filer] shall be $9,797,154.76, of which $9,747,061.46 has been applied by the Court-appointed Receiver of the [Filer] to the purchase price for the Filer's assets in accordance with the order of the Court dated October 24, 1999."

(d) the payment of cash and the issue of shares provided for in the Proposal shall be in full and final settlement of all those claims affected by the Proposal and that were owing as of April 19, 2000; to be eligible for a dividend, all creditors must file with the Trustee, a proof of claim in the form attached to the Proposal (the "Proof of Claim");

(e) dividends are subject to a levy of up to 5% in favour of the Superintendent of Bankruptcy (the "Superintendent") under Section 147 of the Bankruptcy Act; this applies to both the cash and share portion of the dividend;

(f) the terms of the Proposal will only be effective if:

(i) all classes of creditors vote for the acceptance of the Proposal by majority in number and 2/3 in value of each class of creditors present, personally or by proxy, at the meeting of creditors and who voted on the resolution; and

(ii) the Proposal is approved by the Court in accordance with Part III of the Bankruptcy Act;

(g) MFC Bancorp Ltd. ("MFC") shall advance $1 million as working capital in exchange for a new class of preferred shares (the terms being outlined in the Proposal) once the following has occurred:

(i) the conditions of Paragraph (f) above have been met;

(ii) a Court order is obtained under section 186 of the *Ontario Business Corporations Act*, approving the reorganization;

(iii) an order is obtained under the Legislation exempting the Filer from Prospectus and Registration Requirements with respect to the issuance of the shares outlined above; and

(iv) any consents, waivers or approvals that may be required in the United States are obtained;

(h) in the event that the creditors or the Court do not approve the Proposal, the Filer will be deemed to be bankrupt; if only one class votes against the Proposal, the Proposal shall be deemed to be defeated and the Filer will be adjudged bankrupt; in the event of a bankruptcy, the cash pool, net of Professional Costs and the costs of a bankruptcy, will be distributed pro rata to the creditors with proven claims, but there will be no issuance of shares;

12. on about April 27, 2000, in accordance with the Bankruptcy Act, a copy of the Proposal, a copy of the Trustees Report to the Creditors, a condensed

Statement of Assets and Liabilities, Operations Forecast for the three years May 1, 2000 to May 1, 2003, a list of the creditors affected by the Proposal, a proof of claim and general proxy form with attached instructions and a voting letter were mailed to the Unsecured Creditors along with the notice of the general meeting of creditors which was held on May 9, 2000, all of which provided near prospectus level disclosure regarding the Filer and the Proposal;

13. at the May 9, 2000 meeting, the creditors of the Filer approved the Proposal;

14. a maximum of 14 million common shares of the Filer will be distributed to the known Unsecured Creditors and the Superintendent under the Proposal in satisfaction of share claims; in the event that the unpaid balance of such share claims exceeds 14 million common shares of the Filer, then the Filer shall issue the 14 million shares on a pro rata basis to the Unsecured Creditors; the distribution of such shares shall be issued to Unsecured Creditors who have proven their claims within 60 days following the later of the cash distribution, the delivery of the shares to the Trustee and the obtaining of all regulatory approvals;

15. the Filer is indebted to approximately 116 Unsecured Creditors in the aggregate amount of approximately $2,410,000;

16. after the completion of the Proposal, the Unsecured Creditors and the Superintendent will own a maximum of approximately 30% of the outstanding and issued common shares of the Filer although it is anticipated that such number will more likely be between 10% to 15%;

17. as a consequence of the implementation of the Proposal, virtually all of the debt of the Filer will either be compromised or assumed; all of the Unsecured Creditors are at arm's length to the Filer;

18. no exemptions from the Registration Requirements and the Prospectus Requirements of the Legislation exist to permit either the trade by the Trustee of common shares of the Filer to the Unsecured Creditors or the Superintendent, or the trade of the common shares by the Filer in connection with the Proposal; and

19. notwithstanding this Decision, the proposed distributions under the Proposal to Unsecured Creditors resident in Jurisdictions in which the Filer has been cease traded will not be permitted until an order has been granted under the applicable Legislation by the securities regulatory authority in such Jurisdiction which revokes or partially revokes the cease trade order to permit such distributions;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively the "Decision");

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

The Decision of the Decision Makers under the Legislation is that:

1. The Registration Requirement and the Prospectus Requirement do not apply to any trade of common shares of the Filer in connection with the Proposal, provided that prior to any trade:

    (a) the Proposal is approved by the Supreme Court of Ontario in Bankruptcy; and

    (b) the Filer or the Trustee provides each Unsecured Creditor and the Superintendent with a copy of this order.

2. The first trade in any common shares of the Filer acquired under this order is deemed a distribution under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") unless:

    (a) at the time of such trade the Filer is a reporting issuer under the Applicable Legislation and has been a reporting issuer under the Applicable Legislation for the 12 months immediately preceding such trade;

    (b) if the seller is an insider of the Filer, other than a director or senior officer of the Filer, the seller has filed all insider reports and personal information forms that are required to be filed under the Applicable Legislation;

    (c) if the seller is a director or senior officer of the Filer, the seller has filed all insider reports and personal information forms that are required to be filed under the Applicable Legislation, and the Filer has filed all records required to be filed under the material change reporting, insider reporting and interim and annual financial statement requirements of the Applicable Legislation;

    (d) the trade is not from the holdings of a person or company, or combination of persons and companies, acting in concert or by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of the voting rights attached to all outstanding voting securities of the Filer to materially affect the control of the Filer and if a person or company or combination of persons and companies holds more than 20% of the voting rights attached to all outstanding voting securities or the Filer, the person or company or combination of persons and companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of voting rights to materially affect the control of the Filer;

(e) no unusual effort is made to prepare the market or create a demand for the shares of the Filer; and

(f) no extraordinary commission or other consideration is paid in respect of the trade.

May 31st, 2000.

"Margaret Sheehy"

2.1.6 Intertan Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer bid made through the facilities of the NYSE by U.S. offeror with approximately 1,401 registered holders in Canada holding approximately 1.49% of the total outstanding securities subject to the bid - Offeror exempt from the formal issuer bid requirements, provided that the issuer bid is made in compliance with applicable U.S. securities laws and all materials relating to the issuer bid sent to U.S. offerees is also sent to all offerees in the Jurisdictions and filed with the Decision Maker in each Jurisdiction.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95, 96, 97, 98, 100 and 104(2)(c).

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF INTERTAN INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Ontario and Quebec, (collectively, the "Jurisdictions") has received an application from InterTAN Inc. ("InterTAN") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the proposed purchase by InterTAN (both directly and indirectly, through its wholly-owned subsidiary, InterTAN Canada Ltd.) of up to 1,500,000 shares of its issued and outstanding shares of common stock $1 par value per share (the "Common Shares") pursuant to an issuer bid (the "Issuer Bid"), InterTAN be exempt from the provisions in the Legislation relating to delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the "Issuer Bid Requirements");

AND WHEREAS, under the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, InterTAN has represented to the Decision Makers that:

1. InterTAN is a corporation incorporated under the laws of the State of Delaware with its registered and principal office in Concord, Ontario;

2. InterTAN is a reporting issuer in Ontario, Nova Scotia and Saskatchewan, but is not a reporting issuer or the equivalent in any other Jurisdiction. It is not in default as a reporting issuer in Ontario, Nova Scotia or Saskatchewan. InterTAN is also a registrant under and is subject to the requirements of the United States *Securities Act of 1933* (the "1933 Act") and the United States *Securities and Exchange Act of 1934* (the "1934 Act"), including the reporting requirements thereof;

3. As at February 29, 2000, there were approximately 30,408,000 Common Shares issued and outstanding;

4. As at February 29, 2000, there were approximately 1,401 holders, of record of InterTAN Common Shares having addresses in Canada (collectively, the "Canadian Registered Holders") holding, in the aggregate, 453,441 Common Shares representing approximately 1.49% of the outstanding Common Shares. As at February 29, 2000, there were 136 Canadian Registered Holders resident in British Columbia, 117 resident in Alberta, 783 resident in Ontario and 209 resident in Quebec;

5. The Common Shares are listed for trading on The Toronto Stock Exchange (the "TSE") under the symbol ITA and on the New York Stock Exchange (the "NYSE") under the representing symbol ITN. During 1999 only four (4) trades reported on the TSE, comprising an aggregate of 119,700 Common Shares (representing approximately 0.29% of the total volume of Common Shares traded on both the TSE and NYSE in 1999). The last of those four trades occurred in July 1999 and there have not been any trades of Common Shares on the TSE in 2000. All other trading activity in Common Shares in 1999 and to date in 2000 has occurred through the facilities of the NYSE. The total volume of Common Shares traded on the NYSE in 1999 was approximately 41,781,600 (representing approximately 99.71% of the total volume of Common Shares traded on both the TSE and NYSE in 1999);

6. InterTAN proposes to make the Issuer Bid in the United States through the facilities of the NYSE. Purchases of Common Shares will be made either in the open market on the NYSE, or through privately negotiated transactions at prices equal to market prices on the NYSE and anticipates that Common Shares so purchased will be purchased largely from holders of Common Shares resident in the United States (collectively, "the U.S. Shareholders");

7. The Issuer Bid will be made in compliance with the 1933 Act, the 1934 Act and the rules of the Securities and Exchange Commission pursuant to the 1933 Act and 1934 Act (collectively, the "Applicable U.S. Securities Laws");

8. All material relating to the Issuer Bid and any amendment thereto that is required to be sent by or on behalf of InterTAN to the U.S. Shareholders under Applicable U.S. Securities Laws also will be sent concurrently to all Canadian Registered Holders whose last address, as shown on InterTAN's books, is in any Jurisdiction, and filed with each of the Decision Makers;

9. Although the laws of the United States of America have been recognized for the purposes of the *"de minimus"* exemptions from Issuer Bid Requirements that exist in some Jurisdictions, InterTAN cannot rely upon such exemptions because there are 50 or more Canadian registered holders whose last address as shown on InterTAN's books is in British Columbia, Alberta, Ontario and Quebec;

10. InterTAN cannot rely on the "normal course issuer bid" exemptions from the Issuer Bid Requirements that exist in some Jurisdictions because, in the 12 month period preceding the date hereof, InterTAN has purchased 1,500,000 Common Shares (representing approximately 5% of the issued and outstanding Common Shares) pursuant to an issuer bid commenced by InterTAN on November 30, 1999;

11. InterTAN cannot rely on the "recognized stock exchange" exemption from the Issuer Bid Requirements that exist in some Jurisdictions because the NYSE is not recognized for the purpose of those exemptions;

12. All material changes in the affairs of InterTAN have been generally disclosed as at the date hereof and InterTAN will not purchase Common Shares at any time when it has knowledge of any material fact or material change which has not been generally disclosed.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively "the Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides each of the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Issuer Bid is exempt from the Issuer Bid Requirements, provided that:

(a) the Issuer Bid is made in compliance with the requirements of the Applicable U.S. Securities Laws; and

(b) all material relating to the Issuer Bid and any amendment thereto that is sent by or on behalf of InterTAN to U.S. Shareholders under Applicable U.S. Securities Laws is also sent concurrently to all Canadian Registered Holders whose last address, as shown on InterTAN's books, is in any Jurisdiction and filed with each of the Decision Makers.

June 7th, 2000.

"Howard I. Wetston" "Robert W. Korthals"

2.1.7 Telco Research Corporation Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has one security holder - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 83.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUEBEC AND NEWFOUNDLAND**

AND

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

AND

**IN THE MATTER OF
TELCO RESEARCH CORPORATION LIMITED**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Québec and Newfoundland (the "Jurisdictions") has received an application from Telco Research Corporation Limited (the "Filer" or "Amalgamated Telco") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer or its equivalent under the Legislation.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Amalgamated Telco was formed pursuant to articles of arrangement under the *Business Corporations Act* (Ontario) (the "OBCA") dated March 30, 2000.

2. Amalgamated Telco=s head office is located in Toronto, Ontario.

3. Amalgamated Telco is a reporting issuer, or its equivalent, under the Legislation and to the best of the Filer's knowledge, is not in default of any requirement of the Legislation.

4. The predecessor to Amalgamated Telco, Telco Research Corporation Limited ("Original Telco") entered into an acquisition agreement made as of February 8, 2000 with Peregrine Systems, Inc. ("Peregrine"), Peregrine Nova Scotia Company ("AcquistionCo"), a wholly-owned subsidiary of Peregrine, and 1400066 Ontario Inc. ("Amalgamation Sub"), a wholly-owned subsidiary of Original Telco, which provided, among other things, that a merger be effected by way of a plan of arrangement under the OBCA (the "Arrangement").

5. Immediately prior to the effective time of the Arrangement, Peregrine issued common shares (the APeregrine Common Shares@) to AcquisitionCo in exchange for common shares of AcquisitionCo.

6. Pursuant to the Arrangement;

   (i) Original Telco amalgamated with Amalgamation Sub and continued as Amalgamated Telco under the OBCA;

   (ii) each holder of common shares in the capital of Amalgamated Telco ("Amalgamated Telco Shares") received 0.165017 Peregrine Common Shares from AcquisitionCo in exchange for each Amalgamated Telco Share held (the "Exchange Ratio"); and

   (iii) outstanding options to acquire Amalgamated Telco Shares were converted into options to purchase Peregrine Common Shares in lieu of Amalgamated Telco Shares (such number of Peregrine Common Shares issuable upon such exercise and the exercise prices of such options and other rights being adjusted for the Exchange Ratio).

7. As a result of the foregoing, all of the issued and outstanding Amalgamated Telco Shares are owned by Peregrine through AcquisitionCo.

8. Other than the Amalgamated Telco Shares, no other securities of the Filer are outstanding and it is not intended that the Filer seek public financing by way of an issuance of securities.

9. No securities of the Filer are listed or quoted on any exchange or organized market.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

The Decision of the Decision Makers pursuant to the Legislation is that the Filer is deemed to have ceased to be a reporting issuer, or its equivalent, under the Legislation.

June 7th, 2000.

"Iva Vranic"

2.1.8 Tembec Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief for officers and directors of reporting issuer and its subsidiaries from the insiders reporting requirements with respect to the acquisition of securities under an automatic share purchase plan, subject to certain conditions including annual reporting.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. ss.1(1), 107, 108, 121(2)(a)(iii)

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am. Part VIII.

Policies Cited

Ontario Securities Commission Policy Statement No. 10.1.

Instruments Cited

Proposed National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements (1999), 22 OSCB 5161.

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, MANITOBA, NOVA SCOTIA, NEWFOUNDLAND, ONTARIO AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF TEMBEC INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Ontario (the "Jurisdictions") has received an application from Tembec Inc. (the "Filer") for a decision pursuant to the securities legislation and securities directions or policy statements of the Jurisdictions (the "Legislation") that, subject to certain conditions, the insider reporting requirements contained in the Legislation shall not apply to directors and senior officers of the Filer or of any of its subsidiaries (the "Plan Participants") participating in the Filer's employee share purchase plan (the "Plan");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer was incorporated by Letter Patent delivered on July 12, 1972 under Part I of the *Companies Act* (Québec) and was continued under Part IA of the *Companies Act* (Québec) by Certificate of Continuance dated March 18, 1983.

2. The head office of the Filer is located in Montreal, Québec.

3. The Filer is a reporting issuer or its equivalent under the Legislation of all of the Jurisdictions and is not in default of the requirements contained in the Legislation.

4. The financial year-end of the Filer is September 30th.

5. The authorized capital of the Filer consists of an unlimited number of Class A voting shares without par value (the "Common Shares") and an unlimited number of non-voting Class B preferred shares issuable in series without par value, of which 73,881,392 Common Shares and 1,250,000 Series 3 Class B preferred shares are outstanding. The Common Shares are listed and posted for trading on The Toronto Stock Exchange.

6. The Filer is a paper and forest products company with operations throughout Canada and Europe. The growth of the Filer was realized primarily as a result of acquiring its now existing subsidiaries. Agreements entered into for the acquisition of some of its subsidiaries currently restrict the Filer's ability to wind-up of some of its subsidiaries.

7. The Plan is an automatic securities purchase plan established by the Filer to facilitate the acquisition of an ownership interest in the Filer by each Plan Participant. The acquisitions of the Common Shares pursuant to the Plan are made by a trustee on the open market without any direction from Plan Participants. Other than the Lump Sum Option (as defined below), the Plan constitutes an "automatic securities purchase plan" as such term is defined in proposed National Instrument 55-101 - Exemption From Certain Insider Reporting Requirements (1999), 22 OSCB 5161.

8. Under the Plan, a Plan Participant may elect, on the first business day of any month, to contribute a set amount of his or her salary or wages for each regular payroll period. Once the Plan Participant has elected to participate, he or she must contribute the set amount until the termination of his or her participation. At least 30 days prior to the first business day of January and June, a Plan Participant may change the amount of his or her subscription, provided that the aggregate amount of all contributions by a Plan Participant in any given fiscal year does not exceed 10% of such Plan

Participant's Annual Base Earnings (as defined in the Plan).

9. Directors of the Filer receive retainer and attendance fees (the "Fees") twice a year. At the time of receipt of the Fees, directors may direct the Trustee to apply up to 100% of the Fees to purchase Common Shares under the Plan.

10. Pursuant to a lump sum payment option (the "Lump Sum Option"), a Plan Participant is permitted to direct the Trustee to use a lump sum cash payment to purchase Common Shares under the Plan. The timing of an investment through the Lump Sum Option will be at the discretion of the Plan Participant.

11. Under the Plan, the Trustee can purchase Common Shares throughout each month, as soon as possible after receipt of funds from Plan Participants. Insiders of the Filer may not direct the Trustee as to when, where or from whom purchases may be made under the Plan, nor will such insiders know when Plan Participants give instructions to sell Common Shares under the Plan.

12. The number of Common Shares that may be acquired under the Plan will be *de minimis* in relation to the number of Common Shares that are issued and outstanding at the time of acquisition under the Plan.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

THE DECISION of the Decision Makers pursuant to the Legislation is that, in connection with Common Shares acquired under the Plan, the insider reporting requirements shall not apply to any person who is subject to the insider reporting requirements due to the fact that he or she is a director or senior officer of the Filer or of any subsidiary of the Filer, provided that, in each case:

A. the director or senior officer participating in the Plan (a "Participating Insider") files with the Decision Maker in each Jurisdiction, by the last day of December of each year a report (a "Yearly Report"), in the form required by the insider reporting requirements disclosing any change in his or her direct or indirect beneficial ownership of or control or direction over securities of the Filer resulting from his or her participation in the Plan during the 12-month period ending the preceding September 30th (the "Reporting Period") which were not previously reported in the holdings of the Participating Insider;

B. if in any month during a Reporting Period there are one or more changes, including but not limited to, as a result of a Lump Sum Option pursuant to the Plan (other than an acquisition of beneficial ownership that arises solely as a result of regular payroll contributions under the Plan) in the Participating Insider's direct or indirect beneficial ownership of or control or direction over securities of the Filer, the Participating Insider shall file a report in accordance with the provisions contemplated by the insider reporting requirements contained in the Legislation disclosing all such acquisitions, dispositions and transfers of securities of the Filer;

C. if a Plan Participant becomes subject to the insider reporting requirements due to the fact that he or she becomes a director or senior officer of the Filer or of any subsidiary of the Filer during a Reporting Period, then for the purposes of the first Yearly Report contemplated by paragraph A above, the "Reporting Period" for that Plan Participant shall be calculated as the period of time commencing on the date the participant became a Participating Insider through to September 30th of that year;

D. if, at any time during a Reporting Period other than at the commencement of such period, a Participating Insider decides to adopt the use of a Yearly Report to report changes in direct or indirect beneficial ownership of or control or direction over securities of the Filer under the Plan, then for the purposes of the first Yearly Report contemplated by paragraph A above, the "Reporting Period" for that Participating Insider shall be calculated as the period of time commencing on the date on which such determination is made through to September 30th of that year; and

E. the Participating Insider does not own, directly or indirectly, or exercise control or direction over voting securities of the Filer, or a combination of both, that carry more than 10 percent of the voting rights attaching to all outstanding securities of the Filer.

June 12th, 2000.

"Iva Vranic"

2.2 Orders

2.2.1 Toronto Futures Exchange - Paragraph 15(7)(a)

Headnote

Order granted pursuant to paragraph 15(7)(a) of the Commodity Futures Act, as required by section 17.10 of Part XVII of the Toronto Futures Exchange By-laws, approving the termination of the contingency fund of the Toronto Futures Exchange and the payment of the monies in the contingency fund into the Ontario Superior Court of Justice pursuant to an interpleader application requesting that the Court determine the manner in which the contingency fund should be distributed.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, paragraph 15(7)(a), section 19 [now section 15]

IN THE MATTER OF THE COMMODITY FUTURES ACT R.S.O. 1990, chapter C.20, as amended

AND

IN THE MATTER OF THE TORONTO FUTURES EXCHANGE

ORDER (Paragraph 15(7)(a))

UPON the application (the "Application") of the Board of Governors (the "TFE Board") of the Toronto Futures Exchange (the "TFE") to the Ontario Securities Commission (the "Commission") for an order pursuant to paragraph 15(7)(a) of the Commodity Futures Act, R.S.O. 1990, c. C.20, as amended (the "Act"), providing consent to the termination of the TFE Contingency Fund (the "Contingency Fund"), as required by section 17.10 of Part XVII of the TFE By-laws;

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

AND UPON the TFE Board, on behalf of the TFE, having represented to the Commission as follows.

1. The TFE was incorporated in 1983 pursuant to the provisions of the *Toronto Futures Exchange Act,* 1983 s.o. 1983 c.19, as amended by s.o. 1994, c.11 (the "TFE Act").

2. The TFE is a non-share capital corporation governed by the *Ontario Corporations Act* (the "Corporations Act").

3. The TFE was registered as a commodity futures exchange in Ontario by Commission order dated January 10, 1984 issued pursuant to section 19 [now section 15] of the Act.

4. On March 15, 1999, the Memorandum of Understanding between the Toronto Stock Exchange (the "TSE"), Vancouver Stock Exchange, Alberta Stock Exchange and the Montreal Exchange was executed (the "Realignment Agreement").

5. Prior thereto, the TFE received notice that the TSE terminated the TFE's licenses to all futures contracts traded on the TFE, effective December 31, 1999, that the TSE was withdrawing as sponsor of the TFE and that the TSE covenanted in the Realignment Agreement to the other exchanges to use its best efforts to ensure that no new derivatives products would be listed for trading on the TFE.

6. The TFE Board explored a number of options available to the TFE. The Board considered winding-up, which would entail having the members vote to wind-up the TFE and its operations, and reconstitution, which would entail finding a new sponsor member or members for the TFE, seeking appropriate legislative changes and Commission approvals, obtaining necessary financial support and arranging the purchase or lease of new futures contracts for trading and arranging new premises, facilities and staff.

7. After considering these options and receiving feedback from its members, inter alia, through a survey and at a special information meeting called for such purpose, at a meeting held on November 9, 1999, the TFE Board unanimously voted in favour of commencing an orderly wind up of the TFE and its operations and causing the wind up and distribution of the assets of the Contingency Fund. The Contingency Fund contains approximately $853,000.

8. At a special meeting of TFE members held on December 21, 1999, the members of the TFE approved the orderly wind up of the TFE.

9. The TFE has received assurances from the TSE, sponsor member of the TFE, that the TSE will provide full financial support to the TFE for the wind-up period, including: forgiveness of all current and future indebtedness incurred by the TFE in favor of the TSE; funding all cash requirements of the TFE for its operations to the extent that the TFE experiences a shortfall of cash from operations; and undertaking to pay all of the expenses associated with the wind up of the TFE.

10. All necessary steps were taken to ensure that there was an orderly transfer or close out of all open positions in the contracts formerly traded on the TFE and the transition from the TFE index products to the S&P/TSE 60 products which trade on the Montreal Exchange.

11. The TFE has ceased all operations and trading activities.

12. The TFE Board considered the manner in which the Contingency Fund should be distributed, and it sought input from TFE seatholders, TFE member seatholders who are also TSE members, TFE seatholders and TFE seat lessees ("TFE stakeholders") in this regard. As

well, the TFE Board retained an independent adviser to prepare a report providing recommendations regarding distribution of the Contingency Fund.

13. After receiving input and reviewing the report of the independent adviser, the TFE Board decided to file an interpleader application in the Ontario Superior Court of Justice (the "Court"), to pay the monies in the Contingency Fund into Court, and to request that the Court determine the manner in which the Contingency Fund should be distributed.

14. The TFE Board has communicated its decision with respect to the Contingency Fund to TFE stakeholders and has taken steps to implement this process, including disseminating to all TFE stakeholders, a "Notice of Intent to Claim" form for completion and return to the TFE Board.

15. The TFE has requested that the OSC approve the termination of the Contingency Fund and the payment of the monies in the Contingency Fund into the Court pursuant to an interpleader application to that Court.

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

IT IS ORDERED, that, pursuant to paragraph 17(5)(a) of the Act, as required by section 17.10 of the TFE By-laws, the termination of the Contingency Fund and the payment of the monies in the Contingency Fund into Court pursuant to an interpleader application to that Court is hereby approved.

June 6th, 2000.

"Howard I. Wetston" "Stephen N. Adams"

2.2.2 Headway Property Investment 78-1 - s. 83

Headnote

Section 83 of the Ontario Securities Act - Reporting issuer deemed to have ceased to be a reporting issuer - 13 security holders whose latest address is in Ontario.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss.1(1) and 83.

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

AND

IN THE MATTER OF HEADWAY PROPERTY INVESTMENT 78-I

ORDER (Section 83 of the Act)

WHEREAS Headway Property Investment 78-I ("Headway") has applied to the Ontario Securities Commission (the "Commission") for an order pursuant to section 83 of the Act that it be deemed to have ceased to be a reporting issuer;

AND UPON it being represented to the Commission that:

1. Headway is a syndicate established under the laws of Ontario on September 18, 1978;

2. Headway is a reporting issuer under the Act and is not in default of any of the requirements of the Act or the rules or regulations made thereunder;

3. Headway has 13 security holders whose latest address as shown on its books is in Ontario; and

4. There are no securities of Headway listed or quoted on any exchange or organized market;

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

IT IS ORDERED, pursuant to section 83 of the Act, that Headway is deemed to have ceased to be a reporting issuer for the purposes of the Act.

June 12th, 2000.

"Heidi Franken"

2.2.3 Hyal Pharmaceutical Corporation - s. 144

Headnote

Section 144 - partial revocation of cease trade order to permit settlement of outstanding debt owed to unsecured creditors by the issuance of shares.

Statutes Cited

Securities Act, R.S.O., c.S.5, as am., s.144.

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

AND

IN THE MATTER OF HYAL PHARMACEUTICAL CORPORATION

ORDER (Section 144)

WHEREAS by an Assignment made pursuant to section 6 of the Act and dated March 10, 1995, as amended November 9, 1995 (the "Assignment"), the Ontario Securities Commission (the "Commission") assigned to each Director (as defined in the Act) certain powers and duties of the Commission under section 144 of the Act to revoke or vary any decision made by a Director;

AND WHEREAS the securities of Hyal Pharmaceutical Corporation (the "Company") are subject to a Temporary Order of the Director dated March 3, 2000 made under section 127 of the Act and extended by an Order by the Director dated March 15, 2000 (the "Cease Trade Order") directing that trading in securities of the Company cease;

AND WHEREAS the Company has made an application to the Commission for an order of partial revocation of the Cease Trade Order pursuant to section 144 of the Act for the sole purpose of distributing common shares of Company to the Trustee (as defined below) and to unsecured creditors (the "Unsecured Creditors") resident in Ontario and distributing preferred shares to MFC Bancorp Ltd. pursuant to a proposal (the "Proposal") made under the *Bankruptcy and Insolvency Act* (Canada) (the "BIA");

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

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

1. The Company, a corporation incorporated under the laws of the Province of Ontario, is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario, Quebec and Nova Scotia whose head office is located in British Columbia;

2. The share capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which there are approximately 31,788,676 common shares and no preferred shares issued and outstanding;

3. The common shares of the Company are listed on The Toronto Stock Exchange under the symbol HPC but are currently subject to the Cease Trade Order issued by the Ontario Securities Commission for a failure to comply with the continuous disclosure reporting obligations;

4. By order of the Superior Court of Justice, Commercial List (the "Court") dated August 16, 1999, PricewaterhouseCoopers Inc. (the "Trustee") was appointed the receiver and manager of the Company. Under the Court order dated August 26, 1999, the marketing plan of the Trustee was approved and the Trustee was directed to proceed in implementing the marketing process for the Company's assets;

5. As a result of its review of the Company, the Trustee concluded that the Company possessed two main assets, being certain intellectual property rights and the certain tax benefits;

6. Following its marketing efforts, the Trustee received an offer from SkyePharma PLC ("SkyePharma") to purchase certain assets of the Company;

7. SkyePharma, the main creditor of the Company, entered into an asset purchase agreement dated October 6, 1999 with the Trustee (the "Purchase Agreement") pursuant to which the parties agreed that the $14 million purchase price for the assets of the Company to be purchased under the Purchase Agreement was to be satisfied in part by the application of an amount equal to the amount of all unsecured claims owing by the Company to SkyePharma. To the extent that such amount exceeds SkyePharma's pro rata share of the amount available to the Unsecured Creditors of the Company and SkyePharma is required to make any payment under its indemnity pursuant to Section 4.12 of the Purchase Agreement, SkyePharma shall file a claim as an ordinary creditor in respect of the amount it is required to pay under the indemnity;

8. The sale to SkyePharma was completed and approved by the Court on October 24, 1999. The assets subject to the sale were essentially the fixed assets, inventory, patents and intellectual property of the Company;

9. On April 19, 2000 the Company filed the Proposal and on the same date the Proposal was filed with the official receiver;

10. The Proposal has been made to effect a restructuring of the indebtedness of the Company in order to satisfy the claims of the Company's creditors;

11. On or about April 27, 2000, a copy of the Proposal, a copy of the Trustees Report to the Creditors, a condensed Statement of Assets and Liabilities, Operations Forecast for the three years May 1, 2000 to May 1, 2003, a list of the creditors affected by the Proposal, a proof of claim and general proxy form with attached instructions and a voting letter were mailed to

the Unsecured Creditors along with the notice of the general meeting of creditors which was held on May 9, 2000. These materials contained near prospectus level disclosure regarding the Company and the Proposal;

12. The Proposal may be summarized as follows:

   a. The following shall be paid in full in cash from the cash pool:

      (i) Secured Creditors;

      (ii) Preferred claims (which, pursuant to the provision of the *BIA* are to paid before the claims of the Unsecured Creditors). The Trustee is not aware of any preferred claims;

      (iii) Trustee's fees and disbursements and those of its counsel, as well as the fees incurred in connection with the preparation of the Proposal (collectively referred to herein as "Professional Costs");

      (iv) Claims that may be owing to the Government pursuant to the trust provisions of the *Income Tax Act*. The Trustee is not aware of such amounts owing; and

      (v) Goods and services may be purchased by the Company subsequent to April 19, 2000. At the time of filing of the Proposal, the Company was not operating and accordingly, no claims in respect of goods supplied or services rendered after April 19, 2000 should arise, other than the Company's costs with respect to the Proposal.

   b. Unsecured Creditors, referred to as "Ordinary Creditors" in the Proposal, will be paid dividends as follows:

      (i) Cash dividend equal to an Ordinary Creditor's pro rata share of the balance of the cash pool once Professional Costs and any amounts paid to the claimants referred to in (a) above have been deducted, based on the dollar value of their proven claims as at April 19, 2000; and

      (ii) A dividend equal to 7 common shares for every dollar of unpaid proven claim(s) as at April 19, 2000 (i.e. net of the cash paid in paragraph b(i) above), provided that the amount of the shares issued under Section 7(b) of the Proposal do not exceed 14 million shares. In the event that the unpaid portion of Ordinary Creditor's claims exceed $2 million, the 14 million shares will be distributed pro rata to the Ordinary Creditors.

   c. Section s. 7(a) of the Proposal provides, in part, that:

      "for the purposes of calculating SkyePharma's pro rata share as an Ordinary Creditor, of the amount available to be distributed to Ordinary Creditors of the Company and of determining the amount, if any, payable by SkyePharma to the Court-appointed Receiver pursuant to its indemnity, the amount of SkyePharma's unsecured claim against the Company shall be $9,797,154.76, of which $9,747,061.46 has been applied by the Court-appointed Receiver of the Company to the purchase price for the Company's assets in accordance with the order of the Court dated October 24, 1999."

   d. The payment of cash and the issue of shares provided for in the Proposal shall be in full and final settlement of all those claims affected by the Proposal and that were owing as at April 19, 2000. To be eligible for a dividend, all creditors must file with the Trustee, a proof of claim in the form attached to the Proposal (the "Proof of Claim").

   e. Dividends are subject to a levy of up to 5% in favour of the Superintendent of Bankruptcy pursuant to Section 147 of the BIA. This applies to both the cash and share portion of the dividend.

   f. The terms of the Proposal will only be effective if:

      (i) All classes of creditors vote for the acceptance of the Proposal by majority in number and 2/3 in value of each class of creditors present, personally or by proxy, at the meeting of creditors and who voted on the resolution; and

      (ii) The Proposal is approved by the Court in accordance with Part III of the BIA.

   g. MFC Bancorp Ltd. ("MFC") shall advance $1 million as working capital in exchange for a new class of preferred shares (the terms being outlined in the Proposal) once the following has occurred:

      (i) The conditions of Paragraph (f) above have been met;

      (ii) A Court order is obtained under section 186 of the *Ontario Business Corporations Act*, approving the reorganization;

      (iii) A waiver is obtained pursuant to the securities legislation of British Columbia, Alberta, Ontario and Quebec (the "Legislation") exempting the Company from the dealer registration requirement and prospectus requirement (respectively the Registration Requirement and

Prospectus Requirement") with respect to the issuance of the shares outlined above; and

(iv) Any consents, waivers or approvals that may be required in the United States are obtained.

h. In the event that the creditors or the Court do not approve the Proposal, the Company will be deemed to be bankrupt. If only one class votes against the Proposal, the Proposal shall be deemed to be defeated and the Company will be adjudged bankrupt. In the event of a bankruptcy, the cash pool, net of Professional Costs and the costs of a bankruptcy, will be distributed pro rata to the creditors with proven claims, but there will be no issuance of shares.

13. On May 9, 2000 the creditors of the Company approved the Proposal;

14. A maximum of 14 million common shares of the Company will be distributed to the known Unsecured Creditors and the Superintendent pursuant to the Proposal in satisfaction of share claims. In the event that the unpaid balance of such share claims exceeds 14 million common shares of the Company, then the Company shall issue the 14 million shares on a pro rata basis to the Unsecured Creditors. The distribution of such shares shall be issued to Unsecured Creditors who have proven their claims within 60 days following the later of the cash distribution, the delivery of the shares to the Trustee and the obtaining of all regulatory approvals;

15. The Company is indebted to approximately 116 Unsecured Creditors in the aggregate amount of approximately $2,410,000;

16. After the completion of the Proposal, the Unsecured Creditors and the Superintendent will own a maximum of approximately 30% of the outstanding and issued common shares of the Company although it is anticipated that such number will more likely be between 10% to 15%;

17. As a consequence of the implementation of the Proposal, virtually all of the debt of the Company will either be compromised or assumed. All of the Unsecured Creditors are at arm's length to the Company; and

18. An application has been made to the Commission and to the British Columbia Securities Commission, as principal regulator under the Mutual Reliance Review System, for exemptive relief from prospectus and registration requirements for those securities described above to be distributed to the Trustee and to the Unsecured Creditors.

19. The proposed distributions under the Proposal to the Trustee and to the Unsecured Creditors resident in Ontario will not be permitted until an order has been granted under the applicable Legislation by the Ontario Securities Commission which revokes or partially revokes the Cease Trade Order to permit such distributions.

20. The Company understands that the Cease Trade Order will remain in effect following the completion of the distribution to the Trustee and to the Unsecured Creditors and that the securities distributed to the Trusted and to the Unsecured Creditors will remain subject to the Cease Trade Order.

21. The Company understands that if and when an application is made to the Commission to revoke the Cease Trade Order, the Commission may require, as a condition of revoking the Cease Trade Order, that the Company shall have been discharged from bankruptcy and that supplementary information concerning the reörganized enterprise be filed with the Commission

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

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

IT IS ORDERED under section 144 of the Act that the Cease Trade Order be partially revoked for the sole purpose of permitting the trades in the Common Shares by the Company to the Trustee and to the Unsecured Creditors resident in Ontario and trades in preferred shares by the Company to MFC.

May 30th, 2000.

"Margo Paul"

2.2.4 Tesma International Inc. - cl. 104(2)and ss. 59(1), Schedule 1

Headnote

Clause 104(2)(c) - direct and indirect issuer bids resulting from a reorganization involving issuer and a significant shareholder prior to a proposed secondary offering by shareholder - issuer acquiring shareholder's newly-incorporated company that holds subordinate voting shares of issuer in exchange for an equal number of newly-issued subordinate voting shares of issuer - newco to be wound up into issuer and the subordinate voting shares of issuer held by newco to be distributed to issuer and cancelled - purpose of reorganization is to allow shareholder to achieve certain tax-planning objectives prior to the secondary offering - shareholder to indemnify and reimburse issuer for costs and liabilities associated with reorganization - no adverse economic impact on or prejudice to issuer or public shareholders - issuer exempt from requirements of sections 95, 96, 97, 98 and 100 of the Act

Subsection 59(1) of Schedule 1 - issuer exempt from fee otherwise payable pursuant to clause 32(1)(b) of Schedule 1 to the Regulation in respect of certain transactions exempted from the issuer bid requirements, where the transactions did not result in any change to the share ownership structure of the issuer, subject to the requirement that the minimum fee of $900 be paid

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 92, 95, 96, 97, 98, 100, 104(2)(c)

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Regulation 1015, as am., ss. 32(1)(b) and 59(1) of Schedule 1

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

AND

IN THE MATTER OF TESMA INTERNATIONAL INC.

ORDER AND RULING (Clause 104(2)(c) and subsection 59(1) of Schedule 1)

UPON the application (the "Application") of Tesma International Inc. ("Tesma") to the Ontario Securities Commission (the "Commission") for:

(a) an order pursuant to clause 104(2)(c) of the Act that certain acquisitions by Tesma of its Class A Subordinate Voting Shares (the "Subordinate Voting Shares") pursuant to a proposed reorganization (the "Reorganization") described below are exempt from the requirements of sections 95, 96, 97, 98 and 100 of the Act; and

(b) a ruling pursuant to subsection 59(1) of Schedule 1 (the "Schedule") to the Regulation made under the Act exempting Tesma, in part, from the requirement to pay the fee otherwise payable pursuant to clause 32(1)(b) of the Schedule;

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

AND UPON Tesma having represented to the Commission as follows:

1. Tesma is a corporation governed by the *Business Corporations Act* (Ontario) (the "OBCA"), is a reporting issuer in Ontario and is not on the list of defaulting reporting issuers maintained pursuant to subsection 72(9) of the Act.

2. Tesma's authorized share capital consists of an unlimited number of Preferred Shares, issuable in series, an unlimited number of Subordinate Voting shares and an unlimited number of Class B shares. As at June 1, 2000, there were 14,714,279 Subordinate Voting Shares and 14,223,900 Class B Shares issued and outstanding. The Subordinate Voting Shares are listed for trading on The Toronto Stock Exchange (the "TSE") and quoted on the Nasdaq National Market. The Class B Shares are not publicly traded.

3. Magna International Inc. ("Magna") holds 4,352,644 Subordinate Voting Shares (the "Existing Subordinate Voting Shares"), representing approximately 29.6% of the class, and holds directly or indirectly all of the Class B shares.

4. Magna has advised Tesma that it wishes to sell all of its Subordinate Voting Shares pursuant to an offer made to the public and that it would like to effect such sale through a secondary offering to the public pursuant to a short form prospectus that would be filed by Tesma (the "Transaction"). In addition, Magna has advised Tesma that Magna would like to carry out the Reorganization as described below and that the purpose of the Reorganization is to enable Magna to achieve certain tax planning objectives in connection with the Transaction.

5. The proposed Reorganization, which will be completed prior to completion of the Transaction, will require the following principal steps:

   (a) Magna will incorporate a wholly-owned subsidiary ("Newco") under the OBCA. Newco will have been incorporated solely for the purpose of carrying out the Reorganization, will have no assets except the Existing Subordinate Voting Shares to be transferred to it as described below and have no liabilities. Its share capital will consist of common shares (the "Newco Shares").

   (b) Magna will transfer to Newco all of the Existing Subordinate Voting Shares in exchange for Newco Shares. All of the Newco Shares will be owned directly by Magna.

(c) Newco will effect one or more increases in its stated capital in an aggregate amount not to exceed the amount to determined to be an estimate of the "safe income" attributable to the Existing Subordinate Voting Shares.

(d) Following the increases in Newco's stated capital, all of the issued and outstanding Newco Shares will be transferred by Magna to Tesma in exchange for a number of Subordinate Voting Shares, to be issued by Tesma from treasury, equal to the number of Existing Subordinate Voting Shares owned by Newco.

(e) Immediately after Tesma acquires the Newco Shares, Newco will be wound up into Tesma and all of the Existing Subordinate Voting Shares owned by Newco will be distributed to Tesma and cancelled.

6. Immediately after the Reorganization is completed, all holders of Subordinate Voting Shares, including Magna, will own directly or indirectly the same number of Subordinate Voting Shares that they currently own and will have the same rights and benefits in respect of such Subordinate Voting Shares that they currently have.

7. Magna will pay for all of the costs and expenses incurred by Tesma in connection with the Reorganization and will indemnify Tesma for any liabilities that it may incur as a result of the Reorganization. Consequently, the Reorganization will not have any adverse effect on or adverse tax consequences to, or in any way prejudice, Tesma or any of Tesma's other shareholders.

8. The Reorganization requires Tesma's cooperation. Tesma's board of directors (the "Board") has considered the proposed Reorganization, with directors having an interest in the transactions contemplated by the Reorganization through their relationship to Magna declaring their interest and not participating in the deliberations or vote on the Reorganization. The independent members of the Board unanimously have recommended and approved Tesma's participation in the Reorganization.

9. The Reorganization involves the indirect acquisition by Tesma of the Existing Subordinate Voting Shares, the wind-up of Newco into Tesma and the resulting cancellation of the Existing Subordinate Voting Shares held by Newco. Such acquisition, wind-up and/or cancellation of the Existing Subordinate Voting Shares may constitute a direct or indirect issuer bid for which there are no exemptions available from the requirements of Part XX of the Act.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the acquisition by Tesma of the Existing Subordinate Voting Shares in connection with the Reorganization is exempt from the requirements of sections 95, 96, 98 and 100 of the Act.

AND IT IS RULED pursuant to subsection 59(1) of the Schedule that Tesma is exempt from the requirement to pay the fee otherwise payable pursuant to clause 32(1)(b) of the Schedule, provided that the minimum fee of $900 is paid.

June 9th, 2000.

"J. A. Geller" "J. F. Howard"

2.3 Rulings

2.3.1 Four Seasons Hotels Inc. - ss. 74(1)

Headnote

Subsection 74(1) - employee stock options - issuance of options and trades of underlying securities of issuer acquired on the exercise of options to individuals employed by hotels managed by issuer exempt from sections 25 and 53 of the Act - first trades subject to subsection 9.1(1) of Rule 45-503.

Statutes Cited

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

Rules Cited

Rule 45-503 Trades to Employees, Executives and Consultants. (1999), 22OSCB 117.

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

AND

IN THE MATTER OF FOUR SEASONS HOTELS INC.

RULING (Subsection 74(1))

UPON the application by Four Seasons Hotels Inc. ("Four Seasons") to the Ontario Securities Commission (the "Commission") for a ruling, pursuant to subsection 74(1) of the Act, that (i) the issue of Options (as defined below) pursuant to the Four Seasons Hotels Inc. Restated Director, Executive and Employee Stock Option Plan (the "Plan") to certain personnel of properties managed by Four Seasons or its affiliates, and (ii) that first trades in limited voting shares (the "Limited Voting Shares") of Four Seasons acquired on the exercise of the Options, are not subject to sections 25 or 53 of the Act, subject to certain conditions;

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

AND UPON Four Seasons having represented to the Commission that:

1. Four Seasons is a corporation incorporated under the laws of the Province of Ontario and is a reporting issuer under the Act.

2. Four Seasons is not in default of any of the requirements of the Act or the rules or regulations made thereunder.

3. The authorized capital of Four Seasons includes an unlimited number of Limited Voting Shares.

4. Four Seasons' Limited Voting Shares are listed and posted for trading through the facilities of The Toronto Stock Exchange and the New York Stock Exchange.

5. Four Seasons, through its subsidiaries and affiliates (collectively, the "Four Seasons Group"), is one of the world's leading managers of luxury hotels and resorts. The Four Seasons Group also manages and provides its services to fractional ownership and residential ownership properties. Under management agreements with the owners (the "Owners" and, individually, each an "Owner") of the properties that it manages, the Four Seasons Group generally supervises all aspects of operations for the properties on behalf of the Owners, including sales and marketing, reservations, accounting, purchasing, budgeting and the hiring, discharging, training and supervising of personnel.

6. Typically, a management agreement provides for the Four Seasons Group to do all things and take all necessary action for the operation and management of a property. The management agreement also typically provides for the Four Seasons Group, as agent of an Owner to, among other things:

    a. hire, pay, supervise, relocate and discharge all personnel working at the Owner's property;

    b. establish (and from time to time modify) any appropriate employee benefit plans, pension plans and profit-sharing plans; and

    c. determine all matters with regard to such personnel, including (without limitation) compensation, bonuses, fringe benefits and replacement.

7. In some instances, personnel at the properties are employed by the Four Seasons Group, while, in other instances, personnel are employed by the Owners or by affiliates of the Owners. Regardless of the employment structure, the Four Seasons Group directly control all matters relating to personnel and, for all practical purposes, interacts with the personnel in the same way that it does with individuals employed directly by the Four Seasons Group.

8. The Plan was implemented in 1986 for the purpose of advancing the interests of Four Seasons and its shareholders. The Plan originally provided the directors, full-time operating officers and employees of the Four Seasons Group (collectively, the "Four Seasons Employees") a performance incentive for continued and improved service with the Four Seasons Group. This purpose is achieved through the grant of options to acquire Limited Voting Shares (the "Options").

9. The administrators of the Plan have recognized that the interests of Four Seasons and its shareholders are similarly advanced by the activities of personnel at the properties who may be employed by an Owner or by an affiliate of the Owner and, accordingly, have authorized the amendment of the Plan to permit participation by such personnel (the "Additional Participants"). Each of

the Additional Participants provides ongoing bona fide services for the benefit of the Four Seasons Group analogous to those provided by Four Seasons Employees and has a relationship with the Four Seasons Group that is substantially similar to the relationship enjoyed by Four Seasons Employees.

10. Each of the Additional Participants participates, or will participate, in directly comparable retirement pension and other employee benefits plans established for Four Seasons Employees of a similar employment level.

11. Details of the Plan will be made available to all Additional Participants prior to or at the time of the grant of the Options;

12. Holders of Options issued pursuant to the Plan have access to the same information as that which is provided generally to holders of Limited Voting Shares, including annual and quarterly financial statements of Four Seasons; and

13. Participation in the Plan is voluntary and the Additional Participants will not be induced to acquire Limited Voting Shares, pursuant to the exercise of the Options, by the expectation of employment or continued employment.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that the issue of Options to an Additional Participant pursuant to the Plan and trades of Limited Voting Shares of Four Seasons, acquired by an Additional Participant on the exercise of Options issued under the Plan, shall not be subject to sections 25 and 53 of the Act, provided that any first trade in Options or Limited Voting Shares shall be a distribution unless such first trade is made in accordance with the provisions of subsection 9.1(1) of Commission Rule 45-503, as if the Options or Limited Voting Shares had been acquired pursuant to the prospectus exemptions referred to in section 2.2 of Commission Rule 45-503.

June 9th, 2000.

"J. A. Geller" "J. F. Howard"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 4

Cease Trading Orders

4.1 Temporary Cease Trading Orders

4.1.1 Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson - s. 127

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

AND

IN THE MATTER OF
CLIFFORD M. JAMES, NEIL D.S. WESTOLL, WILFRID A. LOUCKS, JAN R. HOREJSI AND RONALD J. SIMPSON

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Rift Resources Ltd. ("Rift") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson Nanna (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Rift) or individual that has, or may have, access to material undisclosed information of Rift.

3. Rift failed to file annual financial statements for its financial year ended December 31, 1999 the ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Rift has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Rift that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Rift shall cease until two full business days following the receipt by the Commission of all filings Rift is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 2nd, 2000.

"Margo Paul"

4.1.2 H. Howard Cooper et al. - s. 127

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

AND

IN THE MATTER OF
H. HOWARD COOPER, THOMAS L. DIGRAPPA,
FRANK S. DIGRAPPA, MARY THERESE PAGLIASOTTI,
CROESUS EMERGING MARKETS RESOURCE FUND LLC
AND TETON OIL USA LIMITED

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Teton Petroleum Company ("Teton") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of H. Howard Cooper, Thomas L. DiGrappa, Frank S. DiGrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Teton) or individual that has, or may have, access to material undisclosed information of Teton.

3. Teton failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Teton has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Teton that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Teton shall cease until two full business days following the receipt by the Commission of all filings Teton is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 9th, 2000.

"Heidi Franken"

4.1.3 Andrew Thomson et al. - s. 127

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

AND

**IN THE MATTER OF
ANDREW THOMSON, PETER BOJTOS,
LEN SPRAGGETT and SEAN SPRAGGETT**

**TEMPORARY ORDER
(Section 127)**

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Link Mineral Ventures Limited ("Link") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett (the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Link) or individual that has, or may have, access to material undisclosed information of Link.

3. Link failed to file annual financial statements for its financial year ended December 31, 1999 the ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Link has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each respondent has, or may have access to, information regarding the affairs of Link that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Link shall cease until two full business days following the receipt by the Commission of all filings Link is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 2nd, 2000.

"Margo Paul"

4.1.4 Doug De Boer et al. - s. 127

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

AND

**IN THE MATTER OF
DOUG DE BOER, BOUGAINVILLEA HOLDINGS INC.,
PAT HICKEY AND EISE DE BOER**

**TEMPORARY ORDER
(Section 127)**

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. GDL Evergreen Inc. ("GDL") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario:

2. Each of Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise de Boer (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of GDL) or individual that has, or may have, access to material undisclosed information of GDL.

3. GDL failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, GDL has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of GDL that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of GDL shall cease until two full business days following the receipt by the Commission of all filings GDL is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 9th, 2000.

"Heidi Franken"

4.1.5 John Tuzyk et al. - s. 127

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

AND

IN THE MATTER OF JOHN TUZYK, PATRICIA SHEAHAN, and LOUCAS C. POUROULIS

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Redaurum Limited ("Redaurum") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of John Tuzyk, Patricia Sheahan and Loucas C. Pouroulis (the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Redaurum) or individual that has, or may have, access to material undisclosed information of Redaurum.

3. Redaurum failed to file annual financial statements for its financial year ended December 31, 1999 the ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Redaurum has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each respondent has, or may have access to, information regarding the affairs of Redaurum that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Redaurum shall cease until two full business days following the receipt by the Commission of all filings Redaurum is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 2nd, 2000.

"Margo Paul"

4.1.6 Richard Opekar et al. - s. 127

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

AND

IN THE MATTER OF RICHARD OPEKAR, ROBERT OPEKAR, JOHN A. TINDALE, WILLIAM BURT AND LAVER LIMITED

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Wollasco Minerals Inc. ("Wollasco") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Richard Opekar, Robert Opekar, John A. Tindale, William Burt and Laver Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Wollasco) or individual that has, or may have, access to material undisclosed information of Wollasco.

3. Wollasco failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Wollasco has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Wollasco that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Wollasco shall cease until two full business days following the receipt by the Commission of all filings Wollasco is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.1.7 Gary A. Fitchett et al. - s. 127

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

AND

IN THE MATTER OF GARY A. FITCHETT, LLOYD E. DOVE, LEON H. GOUZOULES, PAUL D. MACK AND EDWARD LAI

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. IBI Corporation ("IBI") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of IBI) or individual that has, or may have, access to material undisclosed information of IBI.

3. IBI failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, IBI has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of IBI that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of IBI shall cease until two full business days following the receipt by the Commission of all filings IBI is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.8 David Nunn et al. - s. 127

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

AND

IN THE MATTER OF DAVID NUNN, MICHAEL M. REDDY, LORNE J. GELLENY AND BARRY J. RACIPPO

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Kingscross Communities Incorporated ("Kingscross") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Kingscross) or individual that has, or may have, access to material undisclosed information of Kingscross.

3. Kingscross failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Kingscross has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Kingscross that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Kingscross shall cease until two full business days following the receipt by the Commission of all filings Kingscross is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.9 Bruce Anthony et al. - s. 127

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

AND

IN THE MATTER OF
BRUCE ANTHONY, WAYNE D. COCKBURN,
BOB KENNEDY, RONALD S. RITCHIE, PETER J. SMITH,
DOUGLAS C. WITHERSPOON,
FIRST BASE LINE COMMUNICATIONS INC. AND
SECOND BASE DEVELOPMENT CORP.

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Futureline Communications Co. Ltd. ("Futureline") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp. (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Futureline) or individual that has, or may have, access to material undisclosed information of Futureline.

3. Futureline failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Futureline has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Futureline that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Futureline shall cease until two full business days following the receipt by the Commission of all filings Futureline is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.10 Chris Cooket al. - s. 127

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

AND

IN THE MATTER OF CHRIS COOK, LOUIS MANZO, SAM DeBARTOLO, ROGER D. TIMPSON, TOM WEBER, CLAUDE VEILLETTE, DANIEL DANIS, PIERRE DANIS, NEIL HINDLE, PATRICK LAVOIE, STEVEN KISS and RED CASTLE LIMITED

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. gearunlimited.com Inc. ("gearunlimited") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Chris Cook, Louis Manzo, Sam Debartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danis, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited (individually a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of gearunlimited) or individual that has, or may have, access to material undisclosed information of gearunlimited.

3. gearunlimited failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, gearunlimited has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of gearunlimited that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of gearunlimited shall cease until two full business days following the receipt by the Commission of all filings gearunlimited is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 9th, 2000.

"Heidi Franken"

4.1.11 Hubert J. Mockler et al. - s. 127

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

AND

IN THE MATTER OF
HUBERT J. MOCKLER, KENNETH J. MURTON,
ROBERT E. BELLAMY, PAUL F. BLACK, MICHAEL W. MANLEY,
FREDERICK KNIGHT, STEPHEN R. SHAVER,
FRANCISCO F. VIDAL,
DOUGLAS A. MACKENZIE AND RODERICK CHISHOLM

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Canuc Resources Corporation ("Canuc") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Canuc) or individual that has, or may have, access to material undisclosed information of Canuc.

3. Canuc failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Canuc has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Canuc that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Canuc shall cease until two full business days following the receipt by the Commission of all filings Canuc is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 9th, 2000.

"Heidi Franken"

4.1.12 John R. Hart et al. - s. 127

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

AND

IN THE MATTER OF
JOHN R. HART, MAXIM C.W. WEBB, PETER WOOD, JAMES JIANG, SHEILA C. FERGUSON, JAMES F. MOSIER, PICO HOLDINGS, INC., IMPRIMUS INVESTORS, LLC AND JOHN T. PERRI

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Conex Continental Inc. ("Conex") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of John R. Hart, Maxim C.W. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Conex) or individual that has, or may have, access to material undisclosed information of Conex.

3. Conex failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Conex has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Conex that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Conex shall cease until two full business days following the receipt by the Commission of all filings Conex is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Margo Paul"

4.1.13 Alberto Coppo et al. - s. 127

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

AND

IN THE MATTER OF
ALBERTO COPPO, DOUGLAS EACRETT,
HANS-JÖRG HUNGERLAND, LINK MURRAY, MARCUS NEW,
MICHAEL P.W. SPENGEMANN, LIGHTHOUSE HOLDINGS INC. AND
PKM PORTFOLIO SERVICES LTD.

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Golden Maritime Resources Ltd. ("Golden") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd. (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Golden) or individual that has, or may have, access to material undisclosed information of Golden.

3. Golden failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Golden has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Golden that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Golden shall cease until two full business days following the receipt by the Commission of all filings Golden is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.14 Michael Zuk et al. - s. 127

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

AND

IN THE MATTER OF
MICHAEL ZUK, MICHAEL SHVEY, RICHARD HAMILTON and JOHN WINTER

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Dura Products International Inc. ("Dura") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Michael Zuk, Michael Shvey, Richard Hamilton and John Winter (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Dura) or individual that has, or may have, access to material undisclosed information of Dura.

3. Dura failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Dura has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Dura that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Dura shall cease until two full business days following the receipt by the Commission of all filings Dura is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.15 Derek Tennant et al. - s. 127

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

AND

IN THE MATTER OF
DEREK TENNANT, KATHLEEN HARRIS, WILLIAM DIXON, and UKSTAR (CANADA) INC.

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Eco Technologies International Inc. ("Eco") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Derek Tennant, Kathleen Harris, William Dixon, and UKstar (Canada) Inc. (individually, the "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Eco) or individual that has, or may have, access to material undisclosed information of Eco.

3. Eco failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Eco has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Eco that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Eco shall cease until two full business days following the receipt by the Commission of all filings Eco is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 8th, 2000.

"Heidi Franken"

4.1.16 Richard Opekar et al. - s. 127

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

AND

IN THE MATTER OF RICHARD OPEKAR, ROBERT OPEKAR, JOHN A. TINDALE AND LAVER LIMITED

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Ram Petroleums Limited ("Ram") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Richard Opekar, Robert Opekar, John A. Tindale and Laver Limited (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Ram) or individual that has, or may have, access to material undisclosed information of Ram.

3. Ram failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Ram has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Ram that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Ram shall cease until two full business days following the receipt by the Commission of all filings Ram is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 9th, 2000.

"Heidi Franken"

4.1.17 Rick Vansant et al. - s. 127

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

AND

IN THE MATTER OF RICK VANSANT, RON BEST, CLARE COPELAND, MICHAEL STEIN, RICHARD HARSHMAN, MICHAEL SERRUYA, NORMAN WINTON, RUSS HILL, LINDA MILLAGE, STEVE DODDS AND CAROL PIPKA

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Moneysworth & Best Shoe Care Inc. ("Moneysworth") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Rick VanSant, Ron Best, Clare Copeland, Michael Stein, Richard Harshman, Michael Serruya, Norman Winton, Russ Hill, Linda Millage, Steve Dodds and Carol Pipka (individually, a "Respondent" and collectively, the "Respondents") is, or was during the financial year ended December 31, 1999, a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Moneysworth) or individual that has, or may have, access to material undisclosed information of Moneysworth..

3. Moneysworth failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000, contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Moneysworth has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Moneysworth that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Moneysworth shall cease until two full business days following the receipt by the Commission of all filings Moneysworth is

required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.1.18 Ian Macdonald et al. - s. 127

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

AND

IN THE MATTER OF IAN MACDONALD, J. ROBERT LEE, ROBERT STURGESS, DON WEST, JOHN KYLE, GARY KIRSH, DAN DEAR, BILL E. DUKE, TRI-LEE CAPITAL LTD., TRICAPITAL MANAGEMENT LIMITED, PETALS DÉCOR LTD., DOUG CAKEBREAD, ULDIS STEINBACHS, JACK LEE, ALAN LIPSZYC, FRANK PRINCIPE, DOUG MATTON, BILL DYE, ROGER LUK,DAVID LUCAS, JOE NANNA AND J&K SALES

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. The Versatech Group Inc. ("Versatech") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of Ian McDonald, J. Robert Lee, Robert Sturgess, Don West, John Kyle, Gary Kirsh, Dan Dear, Bill E. Duke, Tri-Lee Capital Ltd., Tricapital Management Limited, Petals Décor Ltd., Doug Cakebread, Uldis Steinbachs, Jack Lee, Alan Lipszyc, Frank Principe, Doug Matton, Bill Dye, Roger Luk, David Lucas, Joe Nanna and J&K Sales (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Versatech) or individual that has, or may have, access to material undisclosed information of Versatech.

3. Versatech failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Versatech has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Versatech that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Versatech shall cease until two full business days following the receipt by the Commission of all filings Versatech is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.1.19 Robert Rice et al. - s. 127

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

AND

IN THE MATTER OF ROBERT RICE, GARY LOVIE, MING-KGOK (ROGER) LAM, EDWARD CHAN, GEORGE MITROVICH, L. MURRAY EADES, HERBERT LEE, HARRY H. ROBINSON, and MAUREEN ESPIN,

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Tagalder Incorporated ("Tagalder") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Robert Rice, Gary Lovie, Ming-Kgok (Roger) Lam, Edward Chan, George Mitrovich, L. Murray Eades, Herbert Lee, Harry H. Robinson, and Maureen Espin (individually the "Respondent", and collectively the "Respondents") is, or was during the financial year of Tagalder ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Tagalder) or individual that has, or may have, access to material undisclosed information of Tagalder.

3. Tagalder failed to file annual financial statements for its financial year ended December 31, 1999 the ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Tagalder has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have, access to information regarding the affairs of Tagalder that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Tagalder shall cease until two full business days following the receipt by the Commission of all filings Tagalder is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.1.20 Jack Burnett et al. - s. 127

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

AND

IN THE MATTER OF JACK BURNETT, LORNE GRAHAM, DONALD HILTON, TERRY McKAY, MORTIMER BISTRISKY, MICHAEL P. McCLOSKEY, and SHREWSBURY S.A. LUXEMBURG

TEMPORARY ORDER (Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. SwissLink Financial Corporation ("Swisslink") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of Jack Burnett, Lorne Graham, Donald Hilton, Terry McKay, Mortimer Bistrisky, Michael P. McCloskey and Shewsbury S.A. Luxemburg (individually the "Respondent", and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of SwissLink) or individual that has, or may have, access to material undisclosed information of SwissLink.

3. SwissLink failed to file annual financial statements for its financial year ended December 31, 1999 the ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, SwissLink has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of SwissLink that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of SwissLink shall cease until two full business days following the receipt by the Commission of all filings SwissLink is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.1.21 (Michael) Yun Tang et al. - s. 127

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

AND

IN THE MATTER OF
(MICHAEL) YUN TANG, MILTON T. PEARSON, KEVIN S.X. CAI, QIN HUA JOSEPH GU, ROBERT KAY, MAXINE SCHIOTT, KENNETH WIENER, CONSTANCE Y.F. MAK AND VICTOR TONG

TEMPORARY ORDER
(Section 127)

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Worldtek (Canada) Ltd. ("Worldtek") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario.

2. Each of (Michael) Yun Tang, Milton T. Pearson, Kevin S.X. Cai, Qin Hua Joseph Gu, Robert Kay, Maxine Schiott, Kenneth Wiener, Constance Y.F. Mak and Victor Tong (the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Worldtek) or individual that has, or may have, access to material undisclosed information of Worldtek.

3. Worldtek failed to file annual financial statements for its financial year ended December 31, 1999 ("Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Worldtek has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each respondent has, or may have access to, information regarding the affairs of Worldtek that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Worldtek shall cease until two full business days following the receipt by the Commission of all filings Worldtek is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 2nd, 2000.

"Margo Paul"

4.1.22 Serafino Iacono et al. - s. 127

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

AND

**IN THE MATTER OF
SERAFINO IACONO, MIGUEL DE LA CAMPA AND
PETER VOLK**

**TEMPORARY ORDER
(Section 127)**

WHEREAS it appears to the Ontario Securities Commission ("the Commission") that:

1. Chivor Emerald Corporation Ltd. ("Chivor") is incorporated under the laws of Canada and is a reporting issuer in the Province of Ontario;

2. Each of Serafino Iacono, Miguel de la Campa and Peter Volk Nanna (individually, a "Respondent" and collectively the "Respondents") is, or was during the financial year ended December 31, 1999 a director, officer or significant shareholder (beneficial ownership of 10% or more of the voting rights of Chivor) or individual that has, or may have, access to material undisclosed information of Chivor.

3. Chivor failed to file annual financial statements for its financial year ended December 31, 1999 (the "Financial Statements") on or before May 19, 2000 contrary to subsection 78(1) of the Securities Act (Ontario).

4. As of the date of this order, Chivor has not filed its Financial Statements.

5. By virtue of his/her/its relationship, each Respondent has, or may have access to, information regarding the affairs of Chivor that has not been generally disclosed.

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

AND WHEREAS the Commission is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that:

A. all trading, whether direct or indirect, by the Respondents in the securities of Chivor shall cease until two full business days following the receipt by the Commission of all filings Chivor is required to make pursuant to Ontario securities law; and

B. this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

June 7th, 2000.

"Heidi Franken"

4.2.1 Temporary Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Barney's Food Enterprises Inc.	June 1/2000	June 13/2000	---	---
Great Legends Mining Inc.	June 1/2000	June 13/2000	---	---
Redlaw Industries Inc.	June 1/2000	June 13/2000	---	---
Philip Services Corp.	June 2/2000	June 14/2000	---	---
Richwest Holdings Inc.	June 2/2000	June 14/2000	—	---
Bridge-It Corporation	June 2/2000	June 14/2000	—	---
Virgin Metals Inc.	June 2/2000	June 14/2000	—	---
Greenstone Resources Ltd.	June 2/2000	June 14/2000	—	---
KPI International Inc.	June 2/2000	June 14/2000	—	---
International Hospitality Inc.	June 12/200	June 23/200	---	---

4.2.1 Extending Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Scaffold Connection Corporation	May 29/2000	---	June 9/2000	---

Chapter 5

Rules and Policies

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 6

Request for Comments

6.1 Request for Comments

6.1.1 National Instrument 81-102 - Notice of Proposed Amendments

**NOTICE OF PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 81-102
AND COMPANION POLICY 81-102CP
MUTUAL FUNDS
AND TO
NATIONAL INSTRUMENT 81-101
AND COMPANION POLICY 81-101CP
MUTUAL FUND PROSPECTUS DISCLOSURE,
AND
FORM 81-101F1
CONTENTS OF SIMPLIFIED PROSPECTUS
AND
FORM 81-101F2
CONTENTS OF ANNUAL INFORMATION FORM**

Substance and Purpose of Proposed Amendments

Introduction

The Canadian Securities Administrators (the "CSA"), with this Notice, are publishing for comment proposals that would:

- allow an index mutual fund to invest a percentage of its net assets in any one issuer in excess of the 10 percent concentration restriction that is prescribed by section 2.1(1) of National Instrument 81-102;
- require an index mutual fund to include specific disclosure in its simplified prospectus about its fundamental investment objective, and the risks inherent in the fund investing in securities according to an index that is itself not widely diversified;
- require a mutual fund to disclose its management expense ratio in media other than the simplified prospectus, annual information form and annual financial statements, based on a "rolling" 12 month period; and
- require a mutual fund offering multiple classes of securities to provide cover page disclosure in its simplified prospectus of the classes offered and to provide performance and financial highlight disclosure in the simplified prospectus for different classes.

The Proposed Amendments also make a number of other changes to National Instrument 81-102 Mutual Funds ("NI 81-102"), Companion Policy 81-102CP ("81-102CP"), National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI 81-101"), Companion Policy 81-101CP ("81-101CP"), Form 81-101F1 Contents of Simplified Prospectus ("Form 81-101F1") and Form 81-101F2 Contents of Annual Information Form ("Form 81-101F2") (collectively, the "Rules"). The Proposed Amendments address some issues that have been brought to the attention of the CSA following the coming into force of NI 81-101 and NI 81-102 on February 1, 2000.

Substance and Purpose of the Proposed Amendments to NI 81-102, 81-102CP, NI 81-101, 81-101CP, Form 81-101F1 and Form 81-101F2

Index Mutual Fund Amendments

Since the summer of 1999, the CSA have been urged to permit index mutual funds to invest their net assets in the securities of issuers that make up their target index without being limited by the 10 percent concentration restriction currently prescribed by section 2.1 of NI 81-102. These concerns resulted from the recent and arguably novel market conditions which have caused the weighting of certain issuers in certain indices to rise substantially above 10 percent. The concentration restriction in section 2.1 of NI 81-102 prevents index mutual funds from replicating the performance of their target indices. Generally, index mutual funds meet their stated investment objective by purchasing or gaining exposure to the securities of the issuers in their target index in the same proportion as such securities are reflected in such index.

As a result of applications for discretionary relief made by certain index mutual funds, the CSA granted those funds exemptions from the concentration restriction applicable to mutual funds (at that time, section 2.01 (a) of National Policy Statement No. 39), subject to a restriction that limited such funds to a 15 percent concentration restriction. By late fall 1999, it became apparent that certain index funds needed additional relief.

The Investment Funds Institute of Canada ("IFIC") wrote to the Chair of the Ontario Securities Commission in December 1999 outlining the concerns of its members.

As a result of considering IFIC's letter the CSA agreed to proceed to propose these amendments to NI 81-102. In the interim, upon the application of affected index mutual funds, the CSA further increased the concentration restriction for those mutual funds from the previously approved 15 percent concentration restriction to 25 percent.

In the course of deciding to propose an elimination of the concentration restriction for index mutual funds, the CSA considered the equivalent of the concentration restriction rule in other regulatory regimes such as the United States, Hong

Kong, and Europe.[1] In all cases, although the concentration restriction has been or is proposed to be lessened for index mutual funds in those jurisdictions, it has not been eliminated in its entirety. The CSA considered alternatives to the elimination of the concentration restriction for index mutual funds as discussed later in this Notice under "Alternatives Considered".

IFIC urged the CSA to do away with the concentration restriction for all mutual funds, and not just index mutual funds. The CSA is proposing to eliminate the concentration restriction only for index mutual funds for the following reasons:

- The CSA are of the view that tracking an appropriate market index is an acceptable proxy for the concentration restriction. There is no other widely accepted and disclosed proxy for actively managed funds.

- Managers of actively managed funds have alternative investment strategies available to them and are responsible for following these investment strategies in seeking to achieve a fund's objective. For example, although the 10 percent restriction limits how much an actively managed mutual fund can overweight a given issuer, it does not limit the extent to which such a fund can overweight a market sector or a group of issuers whose stock prices are correlated.

- Only in the context of index mutual funds can it be argued that the 10 percent restriction prevents a manager from pursuing the fundamental investment objective of the mutual fund, i.e. tracking the performance of a specified index.

The proposed amendments to NI 81-102 define "index mutual fund" as a mutual fund that has adopted fundamental investment objectives that require it to:

  - hold securities that are included in a permitted index or indices in substantially the same proportion as those securities are reflected in that permitted index or indices; and

  - invest in a manner that causes the mutual fund to replicate the performance of that permitted index or indices.

The proposed amendments to NI 81-102 exempt index mutual funds (as so defined) from the concentration restriction contained in section 2.1 of NI 81-102 . The relatively recent increase in the weighting of some issuers in certain indices to well in excess of 10 percent provided an impetus to the CSA to propose this change. The CSA wish to allow an index mutual fund to pursue its fundamental investment objective of tracking the composition (and therefore the performance) of a specified index or indices, provided adequate disclosure is given to investors of this objective. An index mutual fund will be permitted to rely on the exception to the 10 percent concentration restriction if it:

  - provides specific disclosure in its simplified prospectus as set out in the proposed amendments to Form 81-101F1;

  - provides 60 days advance notice to security holders before first relying on the exception; and

  - includes the word "index" in its name.

The proposed amendments to Form 81-101F1 are designed to give investors sufficient notice and information about the fundamental investment objectives of index mutual funds and the risks inherent with such objectives where the concentration restrictions applicable to all mutual funds are not followed.

In addition, the CSA propose a related amendment to Form 81-101FI which will require all mutual funds, and not just index mutual funds, to disclose the risks of a high concentration of portfolio assets in any one issuer. The proposed disclosure requirement will require a mutual fund to disclose additional risks where, at any time during the previous 12 month period before the date of its simplified prospectus, the mutual fund held more than 10 percent of its net assets in securities of any one issuer.

Management Expense Ratio Amendments

The proposed amendments to NI 81-102 would require a mutual fund to disclose its management expense ratio ("MER") for a "rolling" 12 month period in media other than a simplified prospectus, annual information form or annual financial statements. Currently, a mutual fund can disclose its MER only if the MER is calculated as of a completed financial year. Incidental changes are also proposed to the existing MER provisions to accommodate the proposed "rolling" 12 month MER.

The proposed amendments to 81-102CP also clarify how a mutual fund should determine its "total expenses" for the purposes of the MER calculation where income taxes and withholding taxes are payable by that mutual fund.

Other Amendments

The proposed amendments to 81-102CP provide the CSA's views on what type of instrument, agreement or security will generally be considered by them to be a "specified derivative" for the purposes of section 2.1 of NI 81-102.

[1] For example, the Hong Kong Securities and Futures Commission ("SFC") imposes a 10 percent diversification rule similar to NI 81-102. To date the SFC has granted discretionary exemptions from that rule but only to index mutual funds. The SFC has not imposed any upper limit for index tracking funds in their exemptions, provided that the weightings of the individual stocks within the fund track those of the fund's target index. The Securities and Exchange Commission in the United States allows a "diversified" mutual fund to invest up to 25 percent of its assets in a single issuer, however the SEC also requires that the remaining 75 percent of the fund's assets be invested such that no one holding constitutes more than 5 percent of the fund's assets. Mutual funds must ensure, at least quarterly, that they are in compliance with these restrictions. Mutual funds established under the UCITS Directives of the European Commission must abide by restrictions less flexible than NI 81-102 (a 5 percent "ongoing", rather than "purchase", concentration restriction). These restrictions are proposed to be lessened for index mutual funds, however index mutual funds will still be subject to a restriction of 35 percent of all assets invested in any one issuer should the proposals be adopted by the member countries.

The proposed amendments to Form 81-101F1 and to Form 81-101F2 address packaging and disclosure requirements for the simplified prospectus and annual information form of a mutual fund offering multiple classes or series of securities.

The proposed amendments also implement a number of miscellaneous amendments to the Rules and the Forms that the CSA consider appropriate at this time.

Section Numbering of Proposed Amendments

The CSA have already proposed amendments to NI 81-102, 81-102CP and Forms 81-101FI and 81-101F2 to, among other things, permit mutual funds to enter into securities lending, repurchase and reverse repurchase agreements. Those proposed amendments were published for comment in January 2000[2] and the comment period expired on April 30, 2000. The CSA expect that those amendments will be in force before the amendments contemplated by the current proposed amendments. The numbering of section references in the proposed amendments to the Rules and Forms and in this Notice, assumes that the "securities lending/repo amendments" are already in force and takes into account numbering changes made by those January amendments.

Summary of Proposed Amendments to National Instrument 81-102

This section describes the amendments proposed to be made to NI 81-102. Section references, unless otherwise noted, are sections or proposed sections of NI 81-102.

Section 1.1

The existing definition of "index mutual fund" contained in NI 81-102 will be deleted and replaced with the new proposed definition of "index mutual fund". The new definition uses a new defined term "permitted index", in place of the previous term "specified widely quoted market index". The amendment also clarifies that an "index mutual fund" may have more than one "permitted index".

The term "permitted index" is defined as an index which is widely quoted and readily available to the public and hence not one that is obscure and only known by, or accessible to, the investment community or a sector thereof. In addition, such index may not be one that is administered by an organization that is affiliated with the mutual fund, its manager, its portfolio adviser or principal distributor, unless the index is widely recognized and used.

The changes to the term "index mutual fund" are proposed in order to ensure sufficient certainty in determining which mutual funds may rely on the proposed exemptions from the concentration restrictions.

Section 1.3

Section 1.3 of NI 81-102 is proposed to be amended by the addition of subsection (3), which is an interpretative provision providing that a "simplified prospectus" includes a "prospectus", a "preliminary simplified prospectus" includes a "preliminary prospectus" and a "*pro forma* simplified prospectus" includes a "*pro forma* prospectus". A number of other incidental amendments are proposed in light of this interpretive provision. This proposed amendment is designed to correct inconsistencies in the use of the terms "prospectus" and "simplified prospectus" in NI 81-102 and does not change the scope of NI 81-102.

Section 2.1

Section 2.1 is proposed to be amended with the addition of subsection (5) which would allow an index mutual fund to exceed the 10 percent concentration restriction if required to allow the index mutual fund to follow its fundamental investment objective. In order to rely on this exception the name of the index mutual fund must include the word "index". The simplified prospectus of the index mutual fund must also include specified mandated disclosure. As well, the index mutual fund must provide 60 days advance written notice to existing security holders before it begins to rely on the exception (unless the simplified prospectus has contained the mandated disclosure since inception).

As noted above in this Notice, the CSA are of the view that it is appropriate to treat index mutual funds differently from other mutual funds with respect to the concentration restriction since the fundamental investment objective of index mutual funds is to track the performance of a specified index. The CSA believe that the investor protection provided by the 10 percent concentration restriction could be adequately replaced by proposed amendments to Form 81-101F1 requiring enhanced disclosure of investment objectives and the risks associated with any investment in excess of the 10 percent concentration restriction, as well as the requirement for 60 days notice in advance of relying on the exception.

Since investors in existing index mutual funds would have acquired their index mutual funds at a time when the fund could not go beyond the 10 percent concentration restriction, the CSA believe it necessary for index mutual funds to inform investors of their intentions to rely on the exception provided in the proposed amendments. Accordingly, all index mutual funds that propose to rely on the exception must give investors 60 days advance notice and give them the information required by section 2.1 so that the investors can make an informed decision on whether they wish to remain invested in these index mutual funds. The CSA propose this notice requirement for all index mutual funds, including those index mutual funds that have received discretionary relief under National Policy Statement No. 39 or NI 81-102 to go beyond the 10 percent restriction to up to 25 percent in any one issuer.

Section 5.5

Section 5.5 is proposed to be amended to permit the same procedures for securities regulatory approvals under Part 5 of NI 81-102 as are permitted for exemptions under section 19 of NI 81-102. These amendments will permit decisions to be made regarding Part 5 approvals by appropriate staff of the CSA and not only by the securities regulatory authorities (generally the securities commissions) of each province and territory of Canada.

2 In Ontario, at (2000) 23 OSCB (Supp.) 135

Section 6.3

It is proposed that the word "subsidiary" be replaced with the word "affiliate" in paragraph 3(b) of section 6.3 in order to provide for the consistent use of terminology throughout NI 81-102.

Section 9.4

Subparagraph 9.4(4)(a) is proposed to be amended to delete the words "immediately before the close of business". The CSA understand that these words have been relied on to support an interpretation that a purchase order can be completed up to the end of business on a trade date plus four business days. The CSA did not intend for this interpretation and the proposed amendment is intended to clarify this issue. Any purchase not settled by the end of business on "T+3" must be redeemed immediately thereafter under the forced settlement rules of NI 81-102.

Section 15.4

It is proposed that subsection 15.4(12) be deleted. This amendment is consistent with the proposed amendment to section 1.3 concerning the use of the term "simplified prospectus" throughout NI 81-102.

Section 15.6

Section 15.6 imposes a restriction on performance data disclosure by young funds. Currently NI 81-102 does not allow such disclosure until the mutual fund has offered securities for at least "one completed financial year". Subparagraph 15.6(1)(a)(i) is proposed to be amended to clarify that a mutual fund or asset allocation service must first have offered securities under a simplified prospectus in a jurisdiction for 12 consecutive months before including performance data in a sales communication.

Section 16.1

Section 16.1 is proposed to be amended to require a mutual fund to disclose an MER in its simplified prospectus, annual information form or annual financial statements that is calculated in accordance with section 16.1 for its most recently completed financial year. Subsection 16.1(2) requires a mutual fund that wishes to disclose its MER in media other than a simplified prospectus, annual information form or annual financial statements to calculate and disclose an MER based on expenses incurred during the most recent twelve month period i.e. a "rolling" 12 month MER. Proposed new subparagraphs 16.1(2) and 16.1(3) provide the formula for the calculation of the "rolling" 12 month MER.

The words "before income taxes" have been added after the words "total expenses" to clarify that income taxes are not required to be included in determining a mutual fund's MER.

A new subsection is proposed to allow a mutual fund to disclose its MER to a service provider that will arrange for public dissemination of the MER without the mutual fund having to disclose in notes to the MER disclosure whether the mutual fund has waived management fees or that management fees were paid directly by investors during the period for which the MER was calculated, as currently required by the subsections 16.1(2) and (3) of NI 81-102. The CSA point out in the proposed amendments to 81-102CP that they expect that the mutual fund or the service providers will provide the public with the information contemplated by the note requirements of subsections 16.1(2) and (3) in a clear and understandable manner.

Section 16.2

Section 16.2, which provides a formula for the calculation of total expenses for a fund of funds, is proposed to be amended so that such calculation is also applicable to the determination of the "rolling" 12 month MER as proposed in new subparagraphs 16.1(2) and 16.1(3).

Summary of Proposed Amendments to Companion Policy 81-102CP

This section describes the amendments proposed to be made to 81-102CP. Section references, unless otherwise notes, are sections or proposed sections of 81-102CP.

Section 2.16

Subsection 2.16(2) is proposed to be amended to reflect the views of the CSA that mutual funds should not enter into derivatives or derivative-like transactions in order to circumvent the concentration restriction in section 2.1 of NI 81-102. The CSA is concerned that mutual funds not engage in transactions to do indirectly through derivatives, what they are not permitted to do directly.

Section 3.2

This proposed section is new and discusses the views of the CSA with respect to funds which do not fall within the definition of "index mutual fund", but that have a portion of their assets invested according to a permitted index. Mutual funds that are not "index mutual funds", but that wish to seek an exemption from the concentration restrictions for substantive portions of their net assets that are invested according to a permitted index may make such an application. The section also discusses the views of the CSA with respect to the need for securityholder approval if an index mutual fund changes its "permitted index".

Section 13.2

Subsection 13.2(5) is proposed to be added to clarify that the words "inception of the mutual fund" as they relate to the disclosure of a mutual fund's standard performance data in a sales communication and in a report to security holders (subsections 15.8(2) and (3)), refers to the beginning of the distribution of the securities of the mutual fund under a simplified prospectus, and not to any previous time in which the mutual fund may have existed but did not offer its securities under a simplified prospectus.

Section 14.1

Section 14.1 is proposed to be amended to reflect the proposed changes to Part 16 of NI 81-102 and clarify the factors that are required to be taken into consideration when calculating "total expenses" for the purposes of calculating MER.

Summary of Proposed Amendments to National Instrument 81-101

This section describes the amendments proposed to be made to NI 81-101. Section references, unless otherwise noted, are sections or proposed sections of NI 81-101.

Section 1.1

The definition of the term "commodity pool" in section 1.1 is proposed to be amended so that it will have the meaning ascribed to that term in proposed National Instrument 81-104 Commodity Pools.[3]

The definition of "material contract" is also proposed to be amended by the addition of the words "for a mutual fund". The CSA view this amendment as a clarification amendment only.

Subparagraphs 2.3(1)(b)(i), 2.3(2)(a)(i), 2.3(3)(a)(i), 2.3(4)(a)(i) and 2.3(5)(a)(i)

The subparagraphs noted above presently refer to material contracts "made by" a mutual fund and the proposed amendments would delete that term and substitute the word "of". These changes, as well as the amendment to the definition of "material contract" are intended to clarify that the material contracts of mutual funds that are required to be filed are those listed in the annual information form of the mutual fund under the requirements of Form 81-101F2 regardless of whether those contracts are actually **made by** the mutual fund, or by the manager or other relevant entity. The CSA view this amendment as a clarification amendment only.

Subsection 2.3(6)

This is a new provision which provides that a material contract with the portfolio adviser or portfolio advisers of the mutual fund filed pursuant to section 2.3 of NI 81-102 may be filed in an edited form so that commercial or financial information remains confidential if the disclosure of such information could reasonably be expected to significantly prejudice the competitive position of a party to the contract or interfere significantly with negotiations involving the parties to the contract. The CSA have received comments of this nature and argue that the benefits of disclosing such information are outweighed by the adverse consequences of such disclosure for fund managers and portfolio advisers.

Summary of Proposed Amendments to 81-101CP

Subsection 2.6(2)

This is a new provision which discusses the proposed new subsection 2.3(6) of NI 81-102. It sets out the view of the CSA that fees, expenses and non-competition clauses contained in portfolio advisory agreements would be the type of information that could be kept confidential. Essential terms of the contract related to the services provided by the portfolio adviser could not be kept confidential. These would include provisions relating to the term and termination of the contract.

Summary of Proposed Amendments to Forms 81-101F1 and 81-101F2

This part of this Notice describes the amendments proposed to be made to Forms 81-101F1 and 81-101F2. Section references, unless otherwise noted, are item numbers of those forms.

Form 81-101F1

General Instructions

Subsection (2) of the "General Instructions" is proposed to be amended to correspond to the proposed new subsection 1.3(3) of NI 81-102. This subsection is consistent with section 1.3 of NI 81-101 which provides that certain types of mutual funds cannot use a simplified prospectus.

Subsection (21) is proposed to be added to the "General Instructions" to indicate that a mutual fund that has more than one class or series has the option of treating each class or series as a separate mutual fund and preparing a separate simplified prospectus for each class or series, or combining the disclosure of one or more of the classes or series in one simplified prospectus. If a mutual fund chooses to combine classes or series in one simplified prospectus, separate disclosure in response to each Item in the Form must be provided for each class or series unless the responses would be identical for each class or series.

Item 1 of Part A

Items 1.1(2) and 1.2(2) are proposed to be amended to require that, for both single and multiple simplified prospectuses, if a mutual fund has more than one class or series of securities, the name of those classes or series covered by the simplified prospectus must be named on the front cover of the simplified prospectus.

Item 6 of Part B

Item 6(5) is proposed to be added to require that an index mutual fund disclose specific information as part of its fundamental investment objectives such as the name and nature of its target permitted index or indices, the name of any security that represented more than 10 percent of the target permitted index or indices for the 12 month period immediately preceding the date of the simplified prospectus, the maximum percentage of the index or indices that such security represented in that 12 month period, and the percentage that such security represented as at the most recent date for which that information was available prior to the date of the simplified prospectus.

Item 9 of Part B

Item 9 is proposed to be amended by the addition of subsections (5) and (6).

Subsection (5) applies to index mutual funds. An index mutual fund will be required to disclose the potential risks associated with having its assets invested in one or more issuers beyond

[3] Proposed National Instrument 81-104 Commodity Pools was re-published for a second 60 day comment period on June 2, 2000. In Ontario, at (2000) 23 OSCB 3855. It is expected to come into force prior to, or concurrently with, these proposed amendments to the Rules and the Forms.

the 10 percent concentration limit prescribed by section 2.1 of NI 81-102.

Subsection (6) applies to all mutual funds. Any mutual fund that had holdings of an issuer beyond the 10 percent concentration restriction at any time during the 12 months preceding the date of the simplified prospectus will be required to disclose that fact and include specific disclosure of the possible or actual risks associated with that investment. The CSA are of the view that this disclosure is necessary for all mutual funds, having regard to the fact that the 10 percent concentration restriction is a purchase test only. NI 81-102 does not require a mutual fund to reduce its holdings in any one issuer once it goes beyond the 10 percent restriction, for whatever reason due to market fluctuations. The CSA believe, however, the risks inherent in a less diversified portfolio are equally important to an actively managed mutual fund as for an index mutual fund.

Item 11.1 of Part B

Subsection (8) of Item 11.1 is new and clarifies that the requirement to provide performance data "since the inception of the mutual fund" refers to the time when the fund first began distributing securities under a simplified prospectus.

Item 13.2 of Part B

Clause 13.2(2)(c) is proposed to be amended by the deletion of the words "and operating expenses" since the words are redundant. Operating expenses are required to be included in the calculation of MER for a mutual fund.

Clause 13.2 is further proposed to be amended to address situations where the MER of a mutual fund includes fees charged directly to investors, as required by subsection 16.1(3) of NI 81-102. Subsection 13.2(4) will be amended to clarify that the cross reference to fees and expenses paid directly by investors relates to those fees and expenses not included in the calculation of MER.

Form 81-101F2

General Instructions

Corresponding changes to those in Form 81-101F1 are proposed to Form 81-101F2 regarding those mutual funds that issue more than one class or series of securities.

Item 1

Corresponding changes to those in Form 81-101F1 are proposed concerning front cover disclosure of the classes or series of securities of a mutual fund covered by the annual information form.

Item 15

Item 15 is proposed to be amended by the addition of subsection (3) which would require a mutual fund that is a trust to disclose all amounts paid and expenses reimbursed during the most recently completed financial year of the mutual fund, for the services rendered by the trustee(s) of the mutual fund. This will clarify the original intention and is consistent with the title of this Item which refers to the remuneration of directors, officers and trustees of a mutual fund.

Authority for Proposed Amendments (Ontario)

In those jurisdictions in which the proposed amendments to NI 81-102 and NI 81-101 have been adopted or made as rules or regulations, the securities legislation in each of those jurisdictions provides the securities regulatory authority with rule-making or regulation-making authority.

In Ontario, the following provisions of the *Securities Act* (Ontario) (the "Act") provide the Ontario Securities Commission ("OSC") with authority to make the proposed amendments to NI 81-102 and NI 81-101. Paragraph 143(1)13 of the Act authorizes the OSC to make rules regulating trading or advising in securities to prevent trading or advising that is fraudulent, manipulative, deceptive or unfairly detrimental to investors. Paragraph 143(1)16 of the Act authorizes the OSC to make rules varying the application of the Act to establish procedures for or requirements in respect of the preparation and filing of preliminary prospectuses and prospectuses, including requirements in respect of distribution of securities by means of a prospectus incorporating other documents by reference and requirements in respect of distribution of securities by means of a simplified prospectus. Paragraph 143(1)31 of the Act authorizes the OSC to make rules regulating mutual funds or non-redeemable investment funds and the distribution and trading of the securities of the funds, including in connection with certain enumerated matters. Paragraph 143(1)35 authorizes the OSC to make rules regulating or varying the Act in respect of derivatives, including prescribing requirements that apply to mutual funds. Paragraph 143(1)39 of the Act authorizes the OSC to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules and all documents determined by the regulations or the rules to be ancillary to the documents.

Alternatives Considered

The CSA considered maintaining a concentration restriction for index mutual funds, albeit beyond the current 10 percent concentration limit in section 2.1 of NI 81-102. The CSA determined to publish for comment the proposed amendments which do not have any concentration restriction for mutual funds since they decided that index mutual funds should be permitted to follow their fundamental investment objectives (that is, tracking the performance of an index) without restriction. The proposed amendments represent the CSA's views on an appropriate regulatory response which balances the needs and particular characteristics of index mutual funds with the investor protection concerns that arise when mutual funds are not fully diversified.

The CSA are aware that there are some indices in which one issuer makes up a very significant percentage of the index. One example that has been provided is the MSCI Finland Index. Nokia has comprised as much as 75 percent of that index. Another issuer has exceeded 10 percent of that index so that those two companies together have comprised more than 85 percent of that index. The CSA believe that the combination of the proposed amendments relating to the

concentration restriction for index mutual funds and the increased disclosure requirements will provide sufficient protection to investors from the risks inherent in investing in index mutual funds tracking such indices.

Comments on any alternatives to the CSA's proposed response to the issues surrounding index mutual funds can be provided during the comment period.

Related Instruments

The proposed amendments relate to NI 81-102, 81-102CP, NI 81-101, 81-101CP, Form 81-101F1 and Form 81-101F2.

Unpublished Materials

In proposing the amendments to NI 81-102, 81-102CP, NI 81-101, 81-101CP, Form 81-101F1 and Form 81-101F2, the CSA have not relied on any significant unpublished study, report, decision or other written materials.

Anticipated Costs and Benefits

The proposed amendments to NI 81-102, 81-102CP, NI 81-101, 81-101CP, Form 81-101F1 and Form 81-101F2 to enable index mutual funds to adhere to their stated fundamental investment objective may bring upon improved performance for index mutual funds which will consequently benefit investors. Conversely, index mutual funds that are no longer subject to any concentration restriction may suffer greater losses than when their exposure to any one issuer was limited to 10 percent of their net assets. While the removal of the concentration restriction for index mutual funds does lead to increased risk, such risk and related potential consequences on the mutual fund will be disclosed to investors.

The index mutual fund proposed amendments are expected to reduce the costs to index mutual funds in ensuring compliance with the concentration restrictions by allowing them to focus on tracking their target permitted index.

The proposed amendments relating to index mutual funds will require these funds to amend their simplified prospectus to include the required disclosure and send a 60-day advance notice to security holders before they are entitled to rely on the relief. Although there will be costs associated with these requirements, the CSA believe that they are more than offset by the need to give investors advance notice of the changes to their index mutual fund.

The requirement to calculate MER for a "rolling" 12 month period in addition to the current requirement that the calculation be based on a completed financial year may require mutual funds to incur additional costs. However, investors are expected to benefit from more current and accurate figures.

The requirement to make front page disclosure of classes or series of units of mutual funds, together with the additional disclosure clarifications relating to these mutual funds, are not expected to result in any additional material cost. Investors will benefit from the clearer disclosure.

Regulations to be Revoked or Amended

In Ontario, the proposed amendments do not require any regulations to be revoked or amended.

Comments

Interested parties are invited to make written submissions with respect to the proposed amendments. Submissions received by September 14, 2000 will be considered.

Submissions should be sent to all of the Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission, in duplicate, as indicated below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Yukon
Registrar of Securities, Nunavut

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St. Pierre, Secretary
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 22nd Floor
Montréal, Québec H4Z 1G3
claude.stpierre@cvmq.com

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Comments may also be sent via e-mail to the above noted e-mail addresses of the respective Secretaries of the Ontario Commission and of the Commission des valeurs mobilières du Québec, and also to any of the individuals noted below at their respective e-mail addresses.

Questions may be referred to any of:

Noreen Bent
Senior Legal Counsel
British Columbia Securities Commission
(604) 899-6741
or 1-800-373-6393 (in B.C.)
nbent@bcsc.bc.ca

Wayne Alford
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Proposed Amendments

The text of the proposed amendments to NI 81-101, 81-101CP, NI 81-102, 81-102CP and Forms 81-101F1 and 81-101F2 follow, together with footnotes that are not part of the proposed amendments, but have been included to provide background and explanation.

DATED: June 16, 2000

AMENDMENT TO NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS[1]

PART 1 AMENDMENTS

1.1 Amendments

(1) National Instrument 81-102 Mutual Funds is amended by

(a) the deletion of the definition of "index mutual fund" in section 1.1 and the substitution of the following:

"index mutual fund" means a mutual fund that has adopted fundamental investment objectives that require the mutual fund to

(a) hold the securities that are included in a permitted index of the mutual fund or permitted indices in substantially the same proportion as those securities are reflected in that permitted index or those permitted indices, or

(b) invest in a manner that causes the mutual fund to replicate the performance of that permitted index or those permitted indices;"; and

(b) the addition of the following definition to section 1.1, after the definition of "permitted gold certificate":

"permitted index" means, in relation to a mutual fund, a widely quoted market index that is

(a) administered by an organization that is not affiliated with any of the mutual fund, its manager, its portfolio adviser or its principal distributor, or

(b) widely recognized and used;".

(2) National Instrument 81-102 is amended by

(a) the addition of the following as subsection 1.3(3):

"(3) In this Instrument, a "simplified prospectus" includes a "prospectus", a "preliminary simplified prospectus" includes a "preliminary prospectus" and a "*pro forma* simplified prospectus" includes a "*pro forma* prospectus"; and

(b) the deletion of item 1 of paragraph (b) of the definition of "sales communication", and the renumbering of existing items 2 through 6 of that paragraph as items 1 through 5;

(c) the deletion of the words "prospectus or" in each of paragraph 1.2(a), paragraph 8.1(a), paragraph 17.3(2)(a) and paragraph 20.4(b);

(d) the addition of the word "simplified" immediately before the word "prospectus" in paragraph 1.2(b); and

(e) the deletion of the words "preliminary prospectus or" and "prospectus or" in subsection 15.4(9).

(3) Section 2.1 of National Instrument 81-102 Mutual Funds is amended by the addition of the following as subsections 2.1(5), (6) and (7):

"(5) Despite subsection (1), an index mutual fund, the name of which includes the word "index", may purchase a security, enter into a specified derivatives transaction or purchase index participation units if required to allow the index mutual fund to satisfy its fundamental investment objectives.

(6) A mutual fund shall not rely on the relief provided by subsection (5) unless

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1 This instrument will amend National Instrument 81-102 ("NI81-102"). The purpose of this amending document is to make a number of changes that the Canadian Securities Administrators consider appropriate at this time following the coming into force of NI81-102 on February 1, 2000. This amending instrument addresses some issues that have been brought to the attention of the CSA following the implementation of NI81-102.

This amending instrument is being published concurrently with proposed amendments to the Companion Policy to NI81-102, which also are being included in order to address some issues that have come to the attention of the CSA in connection with the Companion Policy.

In addition, this amending instrument is being published concurrently with proposed amendments to National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI81-101"), Form 81-101F1 Contents of Simplified Prospectus and Form 81-101F2 Contents of Annual Information Form. That amending instrument amends disclosure requirements contained in NI81-101 and those forms.

For a detailed discussion of the proposals contained in this amending instrument, see the Notice that is published with this Instrument.

The CSA have already proposed amendments to NI81-102, the Companion Policy to NI81-102 and Forms 81-101F1 and 81-101F2 to, among other things, permit mutual funds to enter into securities lending, repurchase and reverse repurchase agreements. Those proposed amendments were published for comment in January 2000 and the comment period expired on April 30, 2000. The CSA expects that those amendments will be in force before the amendments contemplated by this instrument. The numbering of section references in this instrument assumes that the "securities lending/repo amendments" are already in force and takes into account numbering changes made by those amendments.

(a) its simplified prospectus contains the disclosure contemplated by subsection (5) of Item 9 of Part B of Form 81-101F1 Contents of a Simplified Prospectus; and

(b) the mutual fund has provided to its securityholders, not less than 60 days before it first relies on the relief provided by subsection (5), written notice that discloses that it may, from time to time, rely on that relief and that contains the disclosure contemplated by subsection (5) of Item 9 of Part B of Form 81-101F1.

(7) A mutual fund is not required to provide the notice referred to in paragraph (6)(b) if each simplified prospectus of the mutual fund since its inception contains the disclosure referred to in paragraph (6)(a).".

(4) National Instrument 81-102 is amended by

(a) the addition of the words "or regulator" immediately after the words "securities regulatory authority" in subsection 5.5(1); and

(b) the addition of the following as subsection 5.5(3):

"(3) Despite subsection (1), in Ontario only the regulator may grant an approval referred to in subsection (1)."

(5) National Instrument 81-102 is amended by the substitution of the word "affiliate" for the word "subsidiary" in paragraph 3(b) of section 6.3.

(6) National Instrument 81-102 is amended by the deletion of the words "immediately before the close of business" in paragraph 9.4(4)(a).

(7) National Instrument 81-102 is amended by the deletion of subsection 15.4(12).

(8) National Instrument 81-102 is amended by the deletion of subparagraph 15.6(1)(a)(i) and the substitution of the following:

"(i) the mutual fund has offered securities under a simplified prospectus in a jurisdiction for 12 consecutive months, or the asset allocation service has been operated for at least 12 consecutive months and has invested only in participating mutual funds each of which has offered securities under a simplified prospectus in a jurisdiction for at least 12 consecutive months, or".

(9) National Instrument 81-102 is amended by the deletion of subsection 16.1(1) and the substitution of the following:

"(1) A mutual fund may disclose, in a simplified prospectus, annual information form or annual financial statements, its management expense ratio only if the management expense ratio is calculated for a financial year of the mutual fund and if it is calculated by

(a) dividing

(i) the total expenses of the mutual fund, before income taxes, for the financial year, as shown on its income statement,

by

(ii) the average net asset value of the mutual fund for the financial year, obtained by

(A) adding together the net asset values of the mutual fund as at the close of business of the mutual fund on each day during the financial year on which the net asset value of the mutual fund has been calculated, and

(B) dividing the amount obtained under clause (A) by the number of days during the financial year on which the net asset value of the mutual fund has been calculated; and

(b) multiplying the result obtained under paragraph (a) by 100.".

(10) National Instrument 81-102 is amended by the addition of the following as subsections 16.1(2) and (3):

"(2) A mutual fund may disclose, other than in a simplified prospectus, annual information form or annual financial statements, its management expense ratio only if the management expense ratio is calculated for the 12 month period referred to in subsection (3) and if it is calculated by

(a) dividing

(i) the total expenses of the mutual fund, before income taxes, for the 12 month period,

by

(ii) the average net asset value of the mutual fund for the 12 month period, obtained by

(A) adding together the net asset values of the mutual fund as at the close of business of the mutual fund on each day during the 12 month period on which the net asset value of the mutual fund has been calculated; and

(B) dividing the amount obtained under clause (A) by the number of days during the 12 month period on which the net asset value of the mutual fund has been calculated; and

(b) multiplying the result obtained under paragraph (a) by 100.

(3) When a management expense ratio for a mutual fund is calculated under subsection (2),

(a) the mutual fund shall calculate and allocate expenses in the 12 month period referred to in subsection (2) in a manner consistent with the calculation and allocation of expenses for the income statement that forms part of the annual financial statements of the mutual fund; and

(b) the 12 month period referred to in subsection (2) shall end

(i) on the last day of a calendar month,

(ii) if the management expense ratio is presented in an advertisement, not more than 45 days before the date of the appearance or use of the management expense ratio in the advertisement in which it is included, and

(iii) if the management expense ratio is presented or disclosed in a document or communication other than an advertisement, not more than three months before the date of first presentation or publication of the document or communication.".

(11) National Instrument 81-102 is amended by renumbering subsections 16.1(2) and (3) as subsections 16.1(4) and (5), respectively.

(12) National Instrument 81-102 is amended by the addition of the following as subsection 16.1(6):

"(6) The requirements to provide note disclosure contained in subsections (4) and (5) do not apply when a mutual fund provides its management expense ratio to a service provider that will arrange for public dissemination of the management expense ratio, if the mutual fund indicates, as applicable, that management fees have been waived or that management fees were paid directly by investors during the period for which the management expense ratio was calculated.".

(13) National Instrument 81-102 is amended by the renumbering of subsections 16.1(4), (5), (6), (7) and (8) as subsections 16.1 (7), (8), (9), (10) and (11), respectively.

(14) National Instrument 81-102 is amended by the deletion of section 16.2 and the substitution of the following:

"**16.2 Fund of Funds Calculation** - For the purposes of subparagraphs 16.1(1)(a)(i) and 16.1(2)(a)(i), the total expenses of a mutual fund that invests in securities of one or more other mutual funds is equal to the sum of:

(a) the total expenses incurred by the mutual fund that are for the period that the calculation of management expense ratio is made and that are attributable to its investment in each underlying mutual fund, as calculated by

(i) multiplying the total expenses of each underlying mutual fund, before income taxes, for the period, by

(ii) the average proportion of securities of the underlying mutual fund held by the mutual fund during the period, calculated by

(A) adding together the proportion of securities of the underlying mutual fund held by the mutual fund on each day in the period, and

(B) dividing the amount obtained under clause (A) by the number of days in the period; and

(b) the total expenses of the mutual fund, before income taxes, for the period."

PART 2 EFFECTIVE DATE

2.1 Effective Date - This Amendment comes into force on • , 2000.

AMENDMENT TO COMPANION POLICY 81-102CP MUTUAL FUNDS

PART 1 AMENDMENTS

1.1 Amendments

(1) Companion Policy 81-102CP is amended by the deletion of subsection 2.16(2), the substitution of subsection (2) below as the new subsection 2.16(2) and the addition of subsection (3) below as subsection 2.16(3):

"(2) Because of the broad ambit of the lead-in language to the definition, it is impossible to list every instrument, agreement or security that might be caught by that lead-in language but that is not considered to be a derivative in any normal commercial sense of that term. The Canadian securities regulatory authorities consider conventional floating rate debt instruments, securities of a mutual fund or commodity pool, non-redeemable securities of an investment fund, American depositary receipts and instalment receipts generally to be within this category, and generally will not treat those instruments as specified derivatives in administering the Instrument.

(3) However, the Canadian securities regulatory authorities note that these general exclusions may not be applicable in cases in which a mutual fund invests in one of the vehicles described in subsection (2) with the result that the mutual fund obtains or increases exposure to a particular underlying interest in excess of the limit set out in section 2.1 of the Instrument. In such circumstances, the Canadian securities regulatory authorities are likely to consider that instrument a specified derivative under the Instrument.

(2) Companion Policy 81-102CP is amended by the addition of the following as subsection 13.2(5):

"(5) Subsections 15.8(2) and (3) of the Instrument require disclosure of standard performance data of a mutual fund, in some circumstances, from "the inception of the mutual fund". It is noted that paragraph 15.6(1)(d) generally prohibits disclosure of performance data for a period that is before the time when the mutual fund offered its securities under a simplified prospectus or before an asset allocation service commenced operation. Also, Instruction (1) to Item 5 of Part B of Form 81-101F1 Contents of Simplified Prospectus requires disclosure of the date on which a mutual fund's securities first became available to the public as the date on which the mutual fund "started". Therefore, consistent with these provisions, the words "inception of the mutual fund" in subsections 15.8(2) and (3) should be read as referring to the beginning of the distribution of the securities of the mutual fund under a simplified prospectus of the mutual fund, and not from any previous time in which the mutual fund may have existed but did not offer its securities under a simplified prospectus.".

(3) Companion Policy 81-102CP is amended by the addition of the following as section 3.2, and the consequent renumbering of existing sections 3.2, 3.3, 3.4, 3.5 and 3.6 as sections 3.3, 3.4, 3.5, 3.6 and 3.7, respectively:

"3.2 Index Mutual Funds

(1) An "index mutual fund" is defined in section 1.1 of the Instrument as a mutual fund that has adopted fundamental investment objectives that require it to either

(a) hold the securities that are included in a permitted index or permitted indices of the mutual fund in substantially the same proportion as those securities are reflected in that permitted index or permitted indices; or

(b) invest in a manner that causes the mutual fund to replicate the performance of that permitted index or those permitted indices.

(2) This definition includes only mutual funds whose entire portfolio is invested in accordance with one or more permitted indices. The CSA recognizes that there may be mutual funds that invest part of their portfolio in accordance with a permitted index or indices, with a remaining part of the portfolio being actively managed. Those mutual funds cannot avail themselves of the relief provided by subsection 2.1(5) of the Instrument, which provides relief from the "10 percent rule" contained in subsection 2.1(1) of the Instrument, because they are not "index mutual funds". The CSA acknowledge that there may be circumstances in which the principles behind the relief contained in subsection 2.1(5) of the Instrument is also applicable to "partially-indexed" mutual funds. Therefore, the CSA will consider applications from those types of mutual funds for relief analogous to that provided by subsection 2.1(5) of the Instrument.

(3) It is noted that the manager of an index mutual fund may make a decision to base the investments of the mutual fund on a different permitted index than the permitted index previously used. This decision might

be made for investment reasons or because that index no longer satisfies the definition of "permitted index" in the Instrument. It is noted that this decision by the manager will be considered by the Canadian securities regulatory authorities generally to constitute a change of fundamental investment objectives, thereby requiring securityholder approval under paragraph 5.1(c) of the Instrument. In addition, this decision would also constitute a significant change for the mutual fund, thereby requiring an amendment to the simplified prospectus of the mutual fund and the issuing of a press release under section 5.10 of the Instrument.".

(4) Companion Policy 81-102CP is amended by the deletion of section 14.1 and the substitution of the following:

"14.1 Calculation of Management Expense Ratio

(1) Part 16 of the Instrument sets out the method to be used by a mutual fund in calculating its management expense ratio. The requirements contained in Part 16 are applicable in all circumstances in which a mutual fund calculates and discloses a management expense ratio. Subsection 16.1(1) applies to disclosure in a simplified prospectus, annual information form or audited annual financial statements. Subsection 16.1(2) applies to all other media through which disclosure could be made.

(2) Subsections 16.1(1) and (2) require the mutual fund to use its "total expenses" before income taxes for the relevant period as the basis for the calculation of management expense ratio. Total expenses before income taxes will include interest charges and taxes of virtually all types, including sales taxes, GST and capital taxes, payable by the mutual fund. Income taxes, of course, would not be included in a calculation of total expenses before income taxes. In addition, Canadian GAAP would permit a mutual fund to deduct withholding taxes from the income to which they apply; therefore, withholding taxes would not be included as part of "total expenses".

(3) Brokerage charges are not considered to be part of total expenses as they are included in the cost of purchasing, or netted out of the proceeds from selling, portfolio assets.

(4) Subsection 16.1(6) of the Instrument makes reference to a mutual fund indicating, when providing management expense ratio information to a service provider that will arrange for public dissemination of the management expense ratio, whether management fees were waived or paid directly by investors during the relevant period. It is expected that the service providers will include this information in any disclosure of management expense ratio to the public in a manner that is clear and easily understandable by investors. Service providers may use symbols to inform the public of the different elements of a management expense ratio. If symbols are used, they should be accompanied by an explanatory legend.".

PART 2 EFFECTIVE DATE

2.1 **Effective Date** - This Amendment comes into force on • , 2000.

**NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
AMENDMENTS TO
NATIONAL INSTRUMENT 81-101
MUTUAL FUND PROSPECTUS DISCLOSURE
FORM 81-101F1
CONTENTS OF SIMPLIFIED PROSPECTUS
AND
FORM 81-101F2
CONTENTS OF ANNUAL INFORMATION FORM**

PART 1 AMENDMENTS TO NATIONAL INSTRUMENT 81-101

1.1 Amendments to National Instrument 81-101

(1) National Instrument 81-101 is amended by

(a) the deletion of the definition of "commodity pool" in section 1.1 and the substitution of the following:

"commodity pool" has the meaning ascribed to that term in National Instrument 81-104 Commodity Pools;" and

(b) the deletion of the definition of "material contract" in section 1.1 and the substitution of the following:

"material contract" means, for a mutual fund, a contract listed in the annual information form of the mutual fund in response to Item 16 of Form 81-101F2 Contents of Annual Information Form;"

(2) National Instrument 81-101 is amended by the deletion of the words "made by" and the substitution of the word "of" in subparagraphs 2.3(1)(b)(i), 2.3(2)(a)(i), 2.3(3)(a)(i), 2.3(4)(a)(i) and 2.3(5)(a)(i).

(3) National Instrument 81-101 is amended by the addition of the following as subsection 2.3(6):

"(6) Despite any other provision of this section, a mutual fund may delete commercial or financial information from the version of an agreement of the mutual fund, its manager or trustee with a portfolio adviser or portfolio advisers of the mutual fund filed as contemplated by this section if the disclosure of that information could reasonably be expected to

(a) prejudice significantly the competitive position of a party to the agreement; or

(b) interfere significantly with negotiations in which parties to the agreement are involved.".

PART 2 AMENDMENTS TO FORM 81-101F1

2.1 Amendments to Form 81-101F1

(1) The "General Instructions" of Form 81-101F1 are amended by the addition of the following sentence at the end of subsection (2):

"However, subsection 1.3(3) of National Instrument 81-102 does not apply to this Form."

(2) The "General Instructions" of Form 81-101F1 are amended by the addition of the following immediately after subsection (20):

"*Multi-Class Mutual Funds*

(21) A mutual fund that has more than one class or series may treat each class or series as a separate mutual fund, for purposes of this Form, or may combine disclosure of one or more of the classes or series in one simplified prospectus. If disclosure pertaining to more than one class or series is combined in one simplified prospectus, separate disclosure in response to each Item in this Form must be provided for each class or series unless the responses would be identical for each class or series.".

(3) Item 1 of Part A of Form 81-101F1 is amended by

(a) the deletion of subsection 1.1(2) and the substitution of the following:

"(2) Indicate on the front cover the name of the mutual fund to which the simplified prospectus pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus."; and

(b) the deletion of subsection 1.2(2) and the substitution of the following:

"(2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family, to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the simplified prospectus.".

(4) Item 6 of Part B of Form 81-101F1 is amended by the addition of the following as subsection (5):

"(5) For an index mutual fund,

(a) disclose the name or names of the permitted index or permitted indices on

which the investments of the index mutual fund are based,

(b) briefly describe the nature of that permitted index or those permitted indices,

(c) for the 12 month period immediately preceding the date of the simplified prospectus,

(i) indicate whether one or more securities represented more than 10 percent of that permitted index or those permitted indices,

(ii) identify that security or securities, and

(iii) disclose the maximum percentage of the permitted index or permitted indices that that security or those securities represented in the 12 month period, and

(d) disclose the percentage that the security or securities referred to in paragraph (c) represented at the most recent date for which that information is available.".

(5) Item 9 of Part B of Form 81-101F1 is amended by the addition of the following as subsections (5) and (6):

"(5) For an index mutual fund, disclose that the mutual fund may, in basing its investment decisions on one or more permitted indices, have more of its net assets invested in one or more issuers than is usually permitted for mutual funds, and disclose the risks associated with that fact, including the possible effect of that fact on the liquidity and diversification of the mutual fund, its ability to satisfy redemption requests and on the volatility of the mutual fund.

(6) If at any time during the 12 month period immediately preceding the date of the simplified prospectus, more than 10 percent of the net assets of a mutual fund were invested in the securities of an issuer, disclose this fact and disclose the risks associated with that fact, including the possible or actual effect of that fact on the liquidity and diversification of the mutual fund, its ability to satisfy redemption requests and on the volatility of the mutual fund."[1]

(6) Item 11.1 of Part B of Form 81-101F1 is amended by

(a) the addition of the following as subsection (8):

"(8) A reference to "the inception of a mutual fund" in Item 11 refers to the time at which the mutual fund first began distributing its securities under a simplified prospectus."; and

(b) the deletion of subparagraph 11.3(3)(b)(iii).

(7) Item 13.2 of Part B of Form 81-101F1 is amended by

(a) the deletion of the words "and operating expenses" in paragraph 13.2(2)(c); and

(b) the addition of the following as paragraph 13.2(4):

If the management expense ratio of the mutual fund is composed, in part, of fees charged directly to investors, include disclosure of that fact. The management expense ratio used in calculating the disclosure to be provided under this Item should be the management expense ratio that includes these fees directly charged to investors; that is, the management expense ratio calculated in accordance with the general rules of Part 16 of National Instrument 81-102; and

(c) the renumbering of subsection 13.2(4) as subsection 13.2(5), and the addition of the words "which are not included in the calculation of management expense ratio" at the end of that subsection.

[1] Subsection (6) has been added to require a mutual fund to provide disclosure if at any time in the 12 months immediately preceding the date of the simplified prospectus more than 10 percent of its net assets were invested in the securities of an issuer. The CSA note that this provision may apply to mutual funds that are availing themselves of discretionary relief that permits them to exceed the normal 10 percent limit, to index mutual funds that are relying on subsection 2.1(5) of National Instrument 81-102, and to any other mutual fund whose portfolio, as the result of market movements, has had a security represent more than 10 percent of the net assets of the mutual fund.

PART 3 AMENDMENTS TO FORM 81-101F2

3.1 Amendments to Form 81-101F2

(1) The "General Instructions" of Form 81-101F2 are amended by the addition of the following sentence at the end of subsection (2):

"*However, subsection 1.3(3) of National Instrument 81-102 does not apply to this Form.*".

(2) The "General Instructions" of Form 81-101F2 are amended by the addition of the following immediately after subsection (13):

"*Multi-Class Mutual Funds*

(14) A mutual fund that has more than one class or series may treat each class or series as a separate mutual fund, for purposes of this Form, or may combine disclosure of one or more of the classes or series in one annual information form.".

(3) Item 1 of Form 81-101F2 is amended by

(a) the deletion of subsection 1.1(2) and the substitution of the following:

"(2) Indicate on the front cover the name of the mutual fund to which the annual information form pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the annual information form."; and

(b) the deletion of subsection 1.2(2) and the substitution of the following:

"(2) Indicate on the front cover the names of the mutual funds and, at the option of the mutual funds, the name of the mutual fund family, to which the document pertains. If the mutual fund has more than one class or series of securities, indicate the name of each of those classes or series covered in the document.".

(4) Item 15 of Form 81-101F2 is amended by the addition of the following as subsection (3):

"(3) For a mutual fund that is a trust, describe the arrangements, including the amounts paid and expenses reimbursed, under which compensation was paid or payable by the mutual fund during the most recently completed financial year of the mutual fund, for the services of the trustee or trustees of the mutual fund.".

PART 4 EFFECTIVE DATE

4.1 Effective Date

Effective Date - This Amendment comes into force on • , 2000.

AMENDMENT TO
COMPANION POLICY 81-101CP
MUTUAL FUND PROSPECTUS DISCLOSURE

PART 1 AMENDMENTS

1.1 Amendments

(1) Companion Policy 81-101CP is amended by the substitution of the reference to "section 2.2" in section 2.5 with a reference to "section 2.3".

(2) Companion Policy 81-101CP is amended by the deletion of section 2.6 and the substitution of the following:

"(1) Section 2.3 of the Instrument and other Canadian securities legislation require supporting documents to be filed with a simplified prospectus and annual information form and amendments. A list of documents required is set out in an Appendix to National Policy 43-201 Mutual Reliance System for Prospectus and Initial AIFs.

(2) Subsection 2.3(6) of the Instrument permits the filing of versions of certain material contracts from which certain commercial or financial information has been deleted in order to be kept confidential. The Canadian securities regulatory authorities are of the view that information such as fees and expenses and non-competition clauses is the type of information that could be kept confidential under this provision. In these cases, the benefits of disclosing that information to the public are outweighed by the potentially adverse consequences of disclosure for mutual fund managers and portfolio advisers. However, the basic terms of these agreements must be included in the versions that are filed. These terms would include the provisions relating to the term and termination of the agreements and the rights and responsibilities of the parties to the agreements.".

PART 2 EFFECTIVE DATE

2.1 Effective Date - This Amendment comes into force on • , 2000.

6.1.2 National Instrument 55-101 Exemption from Certain Insider Reporting Requirements

NOTICE OF PROPOSED CHANGES TO NATIONAL INSTRUMENT 55-101 AND COMPANION POLICY 55-101CP EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS AND RESCISSION OF OSC POLICY 10.1 APPLICATIONS FOR EXEMPTION FROM INSIDER REPORTING OBLIGATIONS FOR INSIDERS OF SUBSIDIARIES AND AFFILIATED ISSUERS

On August 20, 1999, the Canadian Securities Administrators (the "CSA") published the following two instruments (collectively, the "1999 Proposed Instruments") for comment:

- proposed National Instrument 55-101 - Exemption from Certain Insider Reporting Requirements (the "1999 Proposed National Instrument")
- proposed Companion Policy 55-101CP (the "1999 Proposed Policy").

The 1999 Proposed Instruments were published at (1999), 22 OSCB 5161. The accompanying Notice (the "1999 Notice") summarized these proposed instruments, and generally requested comments.

The CSA received comments on the 1999 Proposed Instruments from three commentators. The identity of the commentators and a summary of their comments, together with the CSA's responses to those comments, are contained in Appendix "A" of this Notice. The CSA thank the commentators for their comments.

The CSA considered the comments received on the 1999 Proposed Instruments. The CSA also considered a number of discretionary exemptive orders relating to the subject matter of the National Instrument which have recently been considered and granted by the CSA. The CSA also considered recommendations of staff of the CSA.

As a result of these considerations and further deliberations of the CSA, the CSA have revised the 1999 Proposed Instruments and have republished them for comment.

The republished versions of these proposed instruments are referred to in this Notice collectively as the "Proposed Instruments", and separately as the "Proposed National Instrument" and the "Proposed Policy". This Notice summarizes changes of a substantive nature that have been made to the 1999 Proposed Instruments. Other changes of relevance to readers are in most cases identified in the footnotes to the Proposed Instruments.

This Notice is accompanied by the Proposed National Instrument and the Proposed Policy.

Substance and Purpose of Proposed National Instrument and Companion Policy

The purpose of the Proposed National Instrument is to provide certain exemptions from the obligation to file insider reports under Canadian securities legislation. Generally speaking, the Proposed National Instrument

- provides an exemption from the obligation to file insider reports for certain directors and senior officers of subsidiaries and of affiliates of insiders who neither hold the securities of a reporting issuer in significant amounts nor are in a position to acquire knowledge of undisclosed material information,
- permits directors and senior officers of a reporting issuer or of a subsidiary of the reporting issuer to report acquisitions of securities of the reporting issuer under automatic securities purchase plans on an annual basis in most circumstances,
- permits issuers conducting normal course issuer bids to report acquisitions of securities under such bids on a monthly basis, and
- permits insiders of a reporting issuer to report changes in direct or indirect beneficial ownership of, or control or direction over, securities by such insiders pursuant to certain issuer events, such as a stock dividend, stock split, consolidation, amalgamation, reorganization or merger, at the time of their next required insider report.

The Proposed National Instrument is an initiative of the CSA, and is being proposed for implementation as a rule, regulation or other appropriate instrument in all of the jurisdictions represented by the CSA.

As a result of the Proposed National Instrument, certain local policies such as Ontario Securities Commission Policy 10.1, British Columbia Local Policy Statement 3-14 and Policy Statement No. Q-10 of the Commission des valeurs mobilières du Québec that set out guidelines for applications for exemptions from the insider reporting obligations in these situations will no longer be necessary when the Proposed National Instrument is implemented. It is proposed that these policies be rescinded. In Ontario, Policy 10.1 also refers to directors and senior officers of companies that are insiders of the reporting issuer. As relief for these persons is not applied for or granted very often, and because this type of relief is not covered in similar policies of other provinces and is more appropriately dealt with on a case by case basis, those insiders are not granted relief under the Proposed National Instrument.

Canadian securities legislation imposes an obligation on insiders to disclose ownership of and trading in securities of reporting issuers, in part in an attempt to deter illegal insider trading and to increase investor confidence in the securities market by providing investors and potential investors with information concerning the trading activities of substantial securityholders and other insiders of the issuer. The definition of "insider" in Canadian securities legislation, other than the Québec legislation, includes any person or company beneficially owning, directly or indirectly, or exercising control or direction over, voting securities of a reporting issuer carrying

more than 10 percent of the voting rights attached to all voting securities of the reporting issuer. In Québec, the definition is slightly different as an insider includes a person who exercises control over more than 10 percent of a class of voting shares or shares with an unlimited right to a share of the profits or assets of the issuer on a winding-up. Every director or senior officer of an insider of a reporting issuer is also an insider of the reporting issuer. Canadian securities legislation, other than the Québec legislation, stipulates that a company is deemed to beneficially own securities beneficially owned by its affiliates. As a consequence of these definitions, insider reporting obligations are imposed on directors and senior officers of affiliates of an insider of a reporting issuer. These directors and officers may have no relationship with the reporting issuer and no access to undisclosed material information concerning the reporting issuer.

Canadian securities legislation also imposes an obligation on insiders to file a report for each purchase made under automatic securities purchase plans. These purchases are typically in amounts, at prices and at times determined by established formula or criteria and the only investment decision by the insider is the decision to participate in the plan or to cease participating in the plan.

The Canadian securities regulatory authorities have recognized the extent to which compliance with the insider reporting requirements can be unnecessarily burdensome and have, in recent years, provided exemptive relief on a case-by-case basis in response to applications made on behalf of directors and senior officers of subsidiaries and affiliates of corporate insiders of reporting issuers, for purchases made by insiders under automatic securities purchase plans and for issuers conducting normal course issuer bids. The Proposed Policy makes it clear that these orders will, except as otherwise provided in them, still be in effect notwithstanding the implementation of the Proposed National Instrument. The degree to which the orders replicate each other suggests that the process of granting case-by-case exemptions is routine and for that reason the relief set out in the Proposed National Instrument is merited.

It is proposed that the Proposed National Instrument will come into force contemporaneously with proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI). Proposed National Instrument 55-102 will establish an electronic filing system for insider trading reports. It is intended that the Proposed National Instrument be capable of effective implementation within the electronic filing system regime to be established under proposed National Instrument 55-102.

Currently, the securities legislation of some Canadian jurisdictions provides for an exemption from the insider reporting requirement upon the occurrence of specified corporate events, such as those stock dividends, stock splits and similar events where the proportionate holdings of insiders do not change, where an officer of the issuer files a notice of the transaction within 10 days. Under proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI), which establishes an electronic filing system for insider trade reporting, SEDI issuers will be required to report such events. However, under the electronic filing system, such reports will not adjust the individual disclosure for insiders. In light of this, the existing exemption will not effectively co-exist with the new electronic filing system for SEDI issuers and for this reason the CSA propose to revoke the existing exemptive relief in Canadian securities legislation. Nonetheless, the CSA believes that exemptive relief should be provided to insiders in these circumstances and accordingly the exemption in Part 7 has been provided to provide exemptive relief for insiders whose holdings are affected by such events.

Similarly, securities legislation of some Canadian jurisdictions provides for an exemption from the insider reporting requirement where an officer of the issuer files notice of the acquisition by a person or company of securities of an issuer through a stock dividend plan, a share purchase plan or other plan available to a class of security holders, employees or management of an issuer. Again, this exemption will not effectively co-exist with the new electronic filing system for SEDI issuers. Moreover, the exemptive relief provided by Part 5 of the Proposed National Instrument provides relief in respect of the same subject matter as the existing exemptive relief. The CSA also propose to revoke this existing exemptive relief in Canadian securities legislation for these reasons.

The CSA may make further changes to the Proposed National Instrument to facilitate the effective implementation of proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI).

The Proposed Policy also makes it clear that the Proposed National Instrument only provides an exemption from the insider reporting requirements and not from liability for improper trading under Canadian securities legislation.

Summary of Proposed National Instrument and Changes to the Proposed National Instrument

Definitions

The Proposed National Instrument is divided into eight parts.

Part 1 contains a definition section. As described below in Part 5, the definition of "automatic securities purchase plan" has been changed to provide that the exemption contained in Part 5 of the Proposed National Instrument will extend to securities of the reporting issuer acquired under a plan of a subsidiary of the reporting issuer, and will be available to directors and senior officers of such a subsidiary. The definition has also been changed to indicate that the formula or criteria relating to the timing of acquisitions of securities, the number of securities which may be acquired under the plan by participants and the price payable for securities need not be set out in the plan, but are to be set out in writing in a plan document. The definition section has also been changed to include definitions of "lump-sum provision", "cash payment option", and "dividend or interest reinvestment plan" to clarify, as described below, that the exemption contained in Part 5 does not apply to the acquisition of securities by a director or senior officer pursuant to a lump-sum provision of a plan, including a cash payment option under a dividend or interest reinvestment plan. In addition, a definition of "normal course issuer bid" has been added for the purposes of the new exemption added in Part 6 relating to insider reporting requirements for normal course issuer bids, as described below, and a definition of "issuer event" has been added for the purposes of the new exemption added in Part 7 relating to

insider reporting requirements for certain issuer events, as described below.

Exemption for Directors and Senior Officers of Subsidiaries

No changes were made to Part 2, which provides an exemption from insider reporting for directors and senior officers of subsidiaries of a reporting issuer, other than persons who are directors or senior officers of significant subsidiaries or who in the ordinary course receive information as to material facts or material changes concerning the reporting issuer prior to general disclosure. The exemption is also not available to a person who is an insider of the reporting issuer in some other capacity and not otherwise exempted. A significant subsidiary is defined to be a subsidiary that represents 10 percent or more of the consolidated assets or 10 percent or more of the consolidated revenues of the reporting issuer.

Exemption for Directors and Senior Officers of Affiliates

No changes were made to Part 3, which provides an exemption for directors and senior officers of affiliates of insiders of a reporting issuer. This exemption is not available to directors or senior officers who, in the ordinary course, receive information as to material facts or material changes concerning the reporting issuer before general disclosure of such material facts or material changes. It is also not available to directors or senior officers of an affiliate that supplies goods or services to, or has contractual arrangements with, the reporting issuer or a subsidiary, the nature and scale of which could reasonably be expected to have a significant effect on the market price or value of the reporting issuer's securities. The exemption is also not available to a person who is an insider of the reporting issuer in some other capacity and not otherwise exempted. It should be noted that Part 3 does not apply in Québec, as under the Québec *Securities Act* directors and senior officers of affiliates of insiders do not have insider reporting obligations.

List of Exempted Insiders

Part 4, which was Part 5 of the 1999 Proposed National Instrument, imposes an obligation on the reporting issuer to maintain a list of all insiders of the reporting issuer exempted by Parts 2 and 3 of the Proposed National Instrument and the basis on which each insider is entitled to rely on one of the exemptions. The ordering of the Parts was changed to provide a more logical sequence, as this Part refers to the exemptions in Parts 2 and 3. Changes were made to this Part to clarify that the list refers to both exemptions and the list is to set out the basis on which each insider is entitled to rely on one of the exemptions.

Reporting for Automatic Securities Purchase Plans

Part 5, which was Part 4 in the 1999 Proposed National Instrument, provides an exemption from the obligation to report purchases under automatic securities purchase plans provided that the insider reports the purchases of securities when reporting a sale of the securities acquired under such plans or, if none have been sold, on an annual basis. The exemption in Part 5 is not available if the insider also satisfies the insider test under securities legislation that is triggered by shareholdings in excess of 10 percent.

Section 5.1 was changed to provide that the exemption extends to securities of a reporting issuer acquired under a plan of a subsidiary of the reporting issuer and to make the reporting exemption available to directors and senior officers of subsidiaries of the reporting issuer. Section 5.1 was also changed to clarify that the reporting exemption is not available for the acquisition of securities by a director or senior officer pursuant to a lump-sum provision of a plan. A definition of the term "lump-sum provision" has been added in Part 1. This term is defined to mean a provision of an automatic securities purchase plan which allows a director or senior officer to acquire securities in consideration of an additional lump-sum payment, including, in the case of a dividend or interest reinvestment plan, a cash payment option. A definition of "cash payment option" has also been added to Part 1. The term "cash payment option" is defined to mean a provision in a dividend or interest reinvestment plan under which a participant is permitted to make cash payments to purchase from the issuer, or from an administrator of the issuer, securities of the issuer's own issue, in addition to the securities purchased using the amount of the dividend or interest payable to or for the account of the participant or acquired as a stock dividend or other distribution out of earnings or surplus. Generally speaking, a lump-sum provision is the term used for such a provision in an employee share purchase plan, while the term "cash payment option" is used to describe a similar feature in a dividend or interest reinvestment plan. A definition of "dividend or interest reinvestment plan" has also been added Part 1 to assist in defining "cash payment option". The term "dividend or interest reinvestment plan" is defined to mean an arrangement under which a holder of securities of an issuer is permitted to direct that the dividends or interest paid on those securities be applied to the purchase, from the issuer or an administrator of the issuer, of securities of the issuer's own issue.

Section 5.3, which provides for the annual reporting requirement under the Proposed National Instrument, has also been changed. Section 5.3 now provides that an insider who relies on the exemption from the insider reporting requirements contained in section 5.1 is to report, in prescribed form, all acquisitions of securities under automatic securities purchase plans that have not been previously reported, (a) for any securities acquired under an automatic securities purchase plan which have been disposed of or transferred, within the time required by securities legislation for reporting the disposition or transfer; and (b) for any securities acquired under an automatic securities purchase plan during a calendar year which have not been disposed of or transferred, annually within 90 days of the end of the calendar year. The 1999 Proposed National Instrument provided for annual reporting on the basis of the financial year of the issuer. This section was also changed to clarify that the annual reporting requirement in section 5.3 applies to an insider that relies on the exemption from the insider reporting requirement contained in section 5.1. The 1999 Proposed National Instrument provided for this reporting requirement for an insider that was exempt from the insider reporting requirement under section 5.1.

In considering the provisions of this Part, reference should be made below to "Regulations to be Revoked".

Reporting for Normal Course Issuer Bids

A new exemption has been added in Part 6 of the Proposed National Instrument. Section 6.1 provides that, despite any requirement of securities legislation relating to the insider reporting requirement that an issuer file a report for each acquisition of securities by the issuer under an issuer bid within 10 days of the date of the acquisition, the issuer may report, in prescribed form, acquisitions of securities by it under a normal course issuer bid within 10 days of the end of the month in which the acquisitions occurred. A definition of the term "normal course issuer bid" has been added to Part 1 for the purposes of this new exemption. The term "normal course issuer bid" has been defined as (a) an issuer bid pursuant to which the number of securities acquired by the issuer within a period of twelve months does not exceed 5% of the securities of that class issued and outstanding at the commencement of the period, or (b) a normal course issuer bid as defined in the policies of The Montreal Exchange, The Canadian Venture Exchange or The Toronto Stock Exchange, conducted in accordance with the policies of that exchange. The CSA determined that, in light of the requirements in securities legislation and of stock exchanges relating to normal course issuer bids, and in particular, the disclosure requirements relating to such bids, it was not necessary to require that issuers file a report for each acquisition of securities by an issuer under a normal course issuer bid within 10 days of the date of each acquisition, and that it would be sufficient for issuers to report such acquisitions within 10 days following the end of the month in which the acquisitions occurred.

Reporting for Certain Issuer Events

As described above, as a result of the electronic filing system proposed to be adopted under National Instrument 55-102 System for Electronic Data on Insiders (SEDI), it is proposed to revoke the exemption from the insider reporting requirement contained in securities legislation for certain corporate events which affect all holdings of a class of securities in the same manner, where an officer of the issuer files a written notice of the event within ten days of the event. However, also as described above, the CSA have determined that it is appropriate to provide in Part 7 alternative relief from the insider reporting requirement for insiders affected by issuer events, on the same policy basis as the existing exemption. The CSA believe that this exemption is appropriate, as disclosure is required under securities legislation for such issuer events, and the proportionate holdings of insiders remains the same.

Accordingly, a new exemption has been added in Part 7 of the Proposed National Instrument. Section 7.1 provides an exemption from the obligation to report a change in direct or indirect beneficial ownership of, or control or direction over securities by, an insider of a reporting issuer, for securities of the reporting issuer pursuant to an issuer event provided that the insider reports the changes within the time required by securities legislation for reporting any other change in direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer. The term "issuer event" is defined in Part 1 to mean a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities in the same manner.

The CSA believe that this exemption is appropriate, as disclosure is required under securities legislation for such issuer events, and the proportionate holdings of insiders remains the same.

In considering the provisions of this Part, reference should be made below to "Regulations to be Revoked".

Summary of Proposed Companion Policy and Changes to the Proposed Companion Policy

The Proposed Policy has five parts.

Purpose

The first part sets out the purpose of the Proposed Policy, which has not been changed.

Definitions

The second part provides commentary on the definition of "automatic securities purchase plan". The second part has been changed to remove the references to optional cash purchase components of dividend or interest reinvestment plans or share purchase plans and stock option plans, which references are now set out in the fourth part, as described below.

Scope of Exemptions

The third part sets out that the Proposed National Instrument only provides exemptions from the insider reporting requirement and not from the provisions in Canadian securities legislation imposing liability for improper insider trading. No changes were made to the third part of the Proposed Policy other than to refer to exemptions in the plural.

Automatic Securities Purchase Plans

The fourth part deals with the reporting of acquisitions or dispositions by a director or senior officer of a reporting issuer or of a subsidiary of the reporting issuer of securities under an automatic securities purchase plan. A number of changes have been made to the fourth part of the Proposed Policy, most of which reflect the changes described above to the Proposed National Instrument.

The title of the fourth part has been changed to more accurately reflect its contents.

A change to clause (1) indicates that section 5.1 of the Proposed National Instrument extends the exemption for acquisitions of securities of a reporting issuer under an automatic securities purchase plan to directors or senior officers of the subsidiary of the reporting issuer, in addition to acquisitions by a director or senior officer of the reporting issuer. Clause (2) has been added to the Companion Policy to reflect the change made to the Proposed National Instrument to clarify that the exemption does not apply to securities acquired under the optional cash purchase components of dividend or interest reinvestment plans or share purchase plans, the "lump-sum" provisions of share purchase plans, and stock option plans. Clause (3) has been changed, reflecting the change in the Proposed National

Instrument, that a person relying on this exemption must report all acquisitions pursuant to the automatic securities purchase plan annually no later than 90 days after the end of the calendar year. The 1999 Proposed Instrument provided for annual reporting on a financial year basis. Clause (3) has also been changed to clarify that the annual reporting requirement applies to persons who have not disposed of or transferred securities which were acquired under automatic securities purchase plans. Clause (4) of the Proposed Policy has been changed to clarify that the Instrument does not relieve a director or senior officer from his or her insider reporting obligations in respect of dispositions or transfers of securities. Clause (5) of the Proposed Policy has been changed to reflect the change in the Proposed National Instrument that the annual reporting requirement will be on a calendar year, as opposed to a financial year, basis. Clause (5) has also been changed to clarify that a director or senior officer must report dispositions or transfers of securities, and acquisitions of securities which are not exempt from the insider reporting obligation, within the time periods required by securities legislation. Clause (6) has been added to clarify that clause 5.3(a) of the Proposed National Instrument requires reports for any securities acquired under a automatic securities purchase plan which are disposed of or transferred and to provide guidance as to the particulars of such insider trades to be reported. A new clause (7) has been added to provide the CSA's views as to the particulars to be included in the annual report. Clause (8) was clause (5) in the 1999 Proposed Policy. As in the 1999 Proposed Policy, the Proposed Policy indicates that the report filed for acquisitions under the automatic purchase plan will reconcile acquisitions under the plan with other acquisitions or dispositions.

A new section has been added to Part 4 of the Proposed Policy, section 4.2, which sets out the views of the CSA that the Instrument provides a limited exemption from insider reporting requirements in circumstances in which an insider, by virtue of participation in an automatic securities purchase plan, is not making discrete investment decisions for acquisitions under such plan. Accordingly, if it is intended that insiders of an issuer rely on this exemption for a particular plan, the issuer should design and administer such plan in a manner which is consistent with this limitation.

Existing Exemptions

The fifth part states that insiders can continue to rely on existing exemptive orders, subject to their terms, despite the implementation of the Proposed National Instrument. Changes were made to this part of the Proposed Policy to clarify that insiders could continue to rely on existing orders, but not on orders previously issued and no longer in force.

Terms used in the Proposed Policy that are defined or interpreted in the National Instrument or a definition instrument in force in the jurisdiction should be read in accordance with the National Instrument or definition instrument, unless the context otherwise requires.

Authority for the Proposed National Instrument

In those jurisdictions in which the Proposed National Instrument is to be adopted as a rule or regulation, the securities legislation in each of those jurisdictions provides the securities regulatory authority with rule-making or regulation-making authority in respect of the subject matter of the Proposed National Instrument.

The Proposed National Instrument is being proposed for implementation in Ontario as a rule. In Ontario, the following provisions of the *Securities Act* (Ontario) (the "Ontario Act") provide the Ontario Securities Commission (the "Ontario Commission") with authority to adopt the Proposed National Instrument as a rule. Paragraph 143(1)10 of the Ontario Act authorizes the Ontario Commission to prescribe requirements in respect of the books, records and other documents required by subsection 19(1) of the Ontario Act to be kept by market participants. Paragraph 143(1)11 of the Ontario Act authorizes the Ontario Commission to make rules regulating the listing or trading of publicly traded securities including requiring reporting of trades and quotations. Paragraph 143(1)30 of the Ontario Act authorizes the Ontario Commission to make rules providing for exemptions from any requirement of the insider trading provisions of the Ontario Act contained in Part XXI of the Ontario Act. Paragraph 143(1)39 of the Ontario Act authorizes the Commission to make rules, among other things, respecting the media, format, preparation, form, content, execution and certification of documents required under the Ontario Act.

Related Instruments

The Proposed National Instrument and Proposed Policy are related to each other as they deal with the same subject matter. In Ontario, the Proposed Policy is related to sections 106 to 109 of the *Securities Act* (Ontario) and Part VIII of the Regulation to the Act. As described above, the Proposed Instruments are also related to Proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI).

Alternatives Considered

Consideration was given to continuing the current practice of granting the relief set out in the Proposed National Instrument on an ad hoc basis in response to applications made. The CSA have concluded however that this practice is neither efficient nor effective and accordingly the Proposed National Instrument would provide relief to certain insiders who fall within the scope of the insider reporting requirement. This is a step in implementing the recommendations of the Task Force on Operational Efficiencies that reported to the CSA in 1995.

Unpublished Materials

In proposing the Proposed National Instrument and Proposed Policy, the CSA have not relied on any significant unpublished study, report, decision or other written materials.

Anticipated Costs and Benefits

The Proposed National Instrument will be beneficial to certain market participants who fall within the scope of the insider reporting requirement of Canadian securities legislation as they will in some cases be relieved from reporting and in other

cases will have to report less frequently. In addition, those persons or the reporting issuer of which they are an insider will no longer have to incur the expense of applying for relief. The only costs imposed by the Proposed National Instrument arise from the requirement in Part 4 to maintain a list of exempted insiders.

The Canadian securities regulatory authorities are of the view that the benefits of the Proposed National Instrument outweigh the costs.

Regulations to be Revoked

In connection with the implementation of the Proposed National Instrument, it is the intent of the Commission to revoke subsections (1) and (2) of section 172 of the Regulation. As described above, these exemptions would not effectively co-exist under the electronic filing system proposed to be established under proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI) for SEDI issuers. In addition, relief in respect of the same subject matter is being provided by Parts 5 and 7 of the Proposed National Instrument. Accordingly, for SEDI issuers, it is appropriate that the exemptions be revoked. The exemptions in subsections 172(1) and (2) could conceivably be retained for non-SEDI issuers. However, the Commission was of the view that it was preferable that the same exemptive relief be available for insiders of all issuers and that additional exemptive relief should not be provided to non-SEDI issuers. Moreover, as the provisions of Parts 5 and 7 of Proposed National Instrument provide relief with respect to the same subject matter as the relief provided in subsections 172(1) and (2) of the Regulation, and, in most cases, the provisions of Parts 5 and 7 of the Proposed National Instrument will be of more benefit to insiders than the relief currently provided by subsections 172(1) and (2), the Commission believes that these subsections can be revoked with little cost to insiders of non-SEDI issuers. However, the exemptive relief provided by Part 5 as noted above, is not available if the insider also satisfies the insider test under securities legislation that is triggered by shareholdings in excess of 10%, where as the exemptive relief provided by subsection 172(2) provides exemptive relief to such persons. As it is proposed to revoke the existing exemptions in subsections 172(1) and (2) of the Regulation for all issuers, and the relief provided by the provisions of Parts 5 and 7 of the Proposed National Instrument does not provide precisely the same relief in precisely the same manner, and does not provide the relief to all insiders, as these subsections of the Regulation proposed to be revoked, the Commission invites comments on these revocations. In particular, the Commission invites comments on whether the relief provided in subsections 172(1) and (2) should be retained for non-SEDI issuers.

Comments

Interested parties are invited to make written submissions with respect to the Proposed National Instrument and Proposed Policy. Submissions received by August 16, 2000 will be considered.

Submissions should be sent to all of the Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission in duplicate, as indicated below.

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St Pierre
Secrétaire
Commission des valeurs mobilières du Québec
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3

A diskette containing the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As securities legislation in certain provinces requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to any of the following:

Laura Startup
Senior Legal Counsel
Policy and Legislation
British Columbia Securities Commission
lstartup@bcsc.bc.ca
(604) 899-6748
or (800) 373-6393 (in B.C.)

Stephen Murison
Legal Counsel
Alberta Securities Commission
stephen.murison@seccom.ab.ca
(403) 297-4233

Barbara Shourounis
Director
Saskatchewan Securities Commission
barbara.shourounis.ssc@govmail.gov.sk.ca
(306) 787-5645

Doug Brown
Deputy Director, Legal Division
Manitoba Securities Commission
dbrown@cca.gov.mb.ca
(204) 945-2548

Iva Vranic
Manager, Corporate Finance
Ontario Securities Commission
ivranic@osc.gov.on.ca
(416) 593-8115

Sylvie Lalonde
Conseillère en réglementation
Commission des valeurs mobilières du Québec
sylvie.lalonde@cvmq.com
(514) 940-2199 Ext. 4555

Text of Proposed Rescission of Ontario Securities Commission Policy 10.1

OSC Policy 10.1 is replaced by the Proposed National Instrument.

The text of the proposed rescission is:

> "Ontario Securities Commission Policy 10.1 Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers is rescinded effective upon the date Proposed National Instrument 55-101 comes into force."

Proposed National Instrument and Companion Policy

The text of the Proposed National Instrument and Proposed Policy follows, together with footnotes that are not part of the Proposed National Instrument and Proposed Policy, as applicable, but have been included to provide background and explanation.

DATED: June 16, 2000.

Appendix "A"

Summary of Comment Letters and Responses

Three comment letters were received, one from The Great-West Life Assurance Company, one from the Canadian Bankers Association and one from Quebecor Inc., in response to the request for comments published at (1999), 22 OSCB 5161.

General Comments

One commentator indicated that it welcomed the initiative of the CSA in proposing the National Instrument. Another commentator indicated that it recognized and applauded the significant steps taken by the CSA to streamline and decrease the administrative burden with respect to reporting requirements.

Definition of Automatic Securities Purchase Plan

One commentator requested that the definition of "automatic securities purchase plan" in the 1999 Proposed National Instrument be amended in order to extend the insider reporting exemptions to a plan of a subsidiary of a reporting issuer and to directors and senior officers of the subsidiary, where such a subsidiary has established a plan that allows its employees to purchase shares of the parent, which is itself the reporting issuer.

The CSA have determined that the proposed revision is reasonable, as there is no reason not to include a plan of a subsidiary of the reporting issuer in the definition of an "automatic securities purchase plan" and to extend the exemption to directors and senior officers of subsidiaries of reporting issuers. Accordingly, the definition of "automatic securities purchase plan" in section 1.1, and section 5.1, have been changed to add the words "or subsidiary of a reporting issuer" where appropriate.

A commentator submitted that the definition of "automatic securities purchase plan" should be amended to include dividend reinvestment plans offered by registered broker dealers, given that the Canadian securities regulators have on numerous occasions granted exemptions to such plans. The commentator also submitted that the optional cash component of such plans should also be included in the definition of "automatic securities purchase plan" as such plans are subject to restrictions as to when purchases are actually made, which make them unlikely to be abused for the purposes of insider trading.

The CSA have determined that the definition of "automatic securities purchase plan" need not be revised to include dividend or interest reinvestment plans ("DRIPs"), given that the Proposed Policy specifically states that the definition of "automatic securities purchase plan" includes DRIPs so long as the criteria in the definition are met.

The CSA have determined not to extend the definition of automatic securities purchase plans to DRIPs offered by registered dealers, as there are more discretionary elements to the participation of insiders in such arrangements. The CSA also determined not to extend the definition of automatic securities purchase plans to DRIPs offered by registered dealers, as they believe that it is appropriate to restrict the exemption to plans of reporting issuers of which the directors or senior officers are insiders, on the basis that this will effectively promote compliance with the requirements contained in the exemptions. The CSA note that, to the extent that registered dealers are subsidiaries of reporting issuers, the directors and senior officers of those reporting issuers and their subsidiaries will be able to avail themselves of the automatic securities purchase plan exemption provided by the Proposed National Instrument.

The CSA disagree with the suggestion that the optional cash component of an automatic securities purchase plan be included in the definition of "automatic securities purchase plan." The decision to invest an additional amount of cash is discretionary and by its very nature falls outside of the ambit of an automatic securities purchase plan. A number of precedent decisions have declined to grant exemptive relief in respect of the optional cash component of such plans, and the CSA are of the view there is no good reason to change the regulatory position on this point.

Definition of Senior Officer in Securities Legislation - Narrow Insider Reporting Requirements

A commentator submitted that the definition of "senior officer" should be narrowed such that the insider reporting requirements would not apply to a senior officer who is a vice-president of a reporting issuer or a vice-president of a subsidiary (including a significant subsidiary) of a reporting issuer so long as:

a) the vice-president is not in charge of a principal business unit, division or function of the reporting issuer or subsidiary, as the case may be;

b) the vice-president does not receive, in the ordinary course, information as to material facts or changes concerning the reporting issuer before the material facts or changes are generally disclosed; and

c) the vice-president is not an insider of the reporting issuer or a subsidiary in any other capacity.

It was submitted that the foregoing proposal would bring the insider reporting requirements more into line with the approach taken by the United States Securities and Exchange Commission and with other existing reporting requirements, such as those found in Form 40 which only require disclosure with respect to "executive officers" of an issuer, as opposed to all "senior officers". The commentator was of the view that narrowing the insider reporting requirements would relieve the large administrative burden currently placed on certain issuers, particularly where titles are often conferred on individuals that "are honorific in nature and may not necessarily reflect the level of managerial responsibility of the individual".

The CSA have determined that the Proposed National Instrument should not be revised to narrow the definition of "senior officer" for insider reporting purposes, as it is outside the scope of the proposed National Instrument at this time to significantly amend the definition of insider contained in securities legislation. The CSA believe that this comment raises broader issues which require significant further consideration and the CSA are currently reviewing this matter.

Pending the results of such review, the CSA will consider exemption applications on a case by case basis in this regard.

Annual Reports

A commentator noted that individuals who are required to file insider reports within 90 days of the financial year end of certain issuers may have difficulty in complying because the statements produced by the issuers which such persons need in order to file such reports are only delivered to them on a calendar quarterly basis. The commentator therefore requested that the deadline for the annual reporting requirement for acquisitions of securities under an automatic securities purchase plan be extended to March 31 or, in the alternative, that the 1999 Proposed National Instrument be changed to permit an issuer or insider to elect to report within 90 days of the end of either the calendar year or the fiscal year, in order to ensure that the required information is available on a timely basis to the persons required to file insider reports.

The CSA have determined that it is appropriate for the annual reporting to be on a calendar year basis. The CSA believe that this addresses the concern raised by the commentator, without the necessity of providing for an election. This change has been made in section 5.3 of the Proposed National Instrument.

List of Exempted Insiders

A commentator noted that the 1999 Proposed National Instrument requires reporting issuers to maintain a list of all insiders exempted by the Instrument and the basis upon which such insiders are exempt. The commentator stated that for certain large institutions, the task of keeping a list of all insiders pursuant to this section is very burdensome. Instead, the commentator proposed that this requirement be amended such that a reporting issuer only be required to maintain a list of individuals who are required to file insider reports.

The CSA decided that it was appropriate to require issuers to keep a list of all those insiders who fall within the exemptions from insider reporting requirements. As a result, section 4.1 (formerly section 5.1) was added to the 1999 Proposed National Instrument. Section 4.1 is less onerous than the terms of numerous prior orders where issuers were required to provide copies of the list to the regulators and to promptly notify the regulators of any changes to the list. In the CSA's view, requiring issuers to maintain a list of all those individuals who are exempt from the insider reporting requirements is a logical step; otherwise, it would be difficult for regulators to review an issuer's practices in this regard. The CSA assume that, as a practical matter, determinations will have to be made by issuers as to the insiders who are eligible for relief under the Proposed National Instrument in any event, so that the maintenance of such a list should not be unduly onerous. Consequently, the CSA have determined that section 4.1 (formerly section 5.1) of the Proposed National Instrument should not be changed.

NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

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NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS[1]

PART 1 DEFINITIONS[2]

1.1 Definitions - In this Instrument

"automatic securities purchase plan" means a plan of a reporting issuer or of a subsidiary of the reporting issuer[3] to facilitate the acquisition of securities of the reporting issuer if the timing of acquisitions of securities, the number of securities which may be acquired under the plan by a director or senior officer of the reporting issuer or of a subsidiary of the reporting issuer[4] and the price payable for the securities are established by written formula or criteria set out in a plan document[5];

"cash payment option" means a provision in a dividend or interest reinvestment plan under which a participant is permitted to make cash payments to

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1 This proposed National Instrument is derived from Ontario Securities Commission Policy Statement 10.1, British Columbia Local Policy Statement 3-14 and Policy Statement No. Q-10 of the Commission des valeurs mobilières du Québec which set out guidelines for applications for exemptions from insider reporting obligations. The proposed National Instrument is being proposed for implementation as a rule, regulation or other appropriate instrumen in all of the jurisdictions represented by the CSA. This National Instrument was published for comment on August 20, 1999 (the "1999 Proposed National Instrument"). As a result of consideration of comments received, and further deliberations of the CSA, it is being republished for comment.

2 A national definition instrument has been adopted as National Instrument 14-101 Definitions. It contains definitions of certain terms used in more than one national instrument. National Instrument 14-101 also provides that a term used in a national instrument and defined in the statute relating to securities of the applicable jurisdiction, the definition of which is not restricted to a specific portion of the statute, will have the meaning given to it in that statute, unless the context otherwise requires. National Instrument 14-101 also provides that a provision or a reference within a provision in a national instrument that specifically refers by name to a jurisdiction, other than the local jurisdiction, shall not have any effect in the local jurisdiction, unless otherwise stated in the provision.

3 The words "or of a subsidiary of a reporting issuer" have been added so that the exemption in section 5.1 will extend to a plan of a subsidiary of the reporting issuer and so that the exemption in section 5.1 will be available to directors and senior officers of a subsidiary of a reporting issuer.

4 See footnote 3.

5 The word "document" has been added after the words "set out in the plan" to allow for the formula or criteria to be set out in another plan document, such as a trust agreement. The words "written" have been inserted to ensure that there is certainty as to the existence and content of such formula or criteria.

purchase from the issuer, or from an administrator of the issuer, securities of the issuer's own issue, in addition to the securities

(a) purchased using the amount of the dividend or interest payable to or for the account of the participant; or

(b) acquired as a stock dividend or other distribution out of earnings or surplus[6];

"dividend or interest reinvestment plan" means an arrangement under which a holder of securities of an issuer is permitted to direct that the dividends or interest paid on the securities be applied to the purchase, from the issuer or an administrator of the issuer, of securities of the issuer's own issue[7];

"issuer event" means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner;[8]

"lump-sum provision" means a provision of an automatic securities purchase plan which allows a director or senior officer to acquire securities in consideration of an additional lump-sum payment, including, in the case of a dividend or interest reinvestment plan, a cash payment option[9];

"normal course issuer bid" means[10]

(a) an issuer bid[11] pursuant to which the number of securities acquired by the issuer within a period of twelve months does not exceed 5% of the securities of that class issued and outstanding at the commencement of the period, or

(b) a normal course issuer bid as defined in the policies of The Montreal Exchange, The Canadian Venture Exchange or The Toronto Stock Exchange, conducted in accordance with the policies of that exchange;

"significant subsidiary"[12] means a subsidiary of a reporting issuer if

(a) the value of the assets of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited balance sheet of the reporting issuer that the reporting issuer has filed, are 10 percent or more of the consolidated assets of the reporting issuer shown on that balance sheet, or

(b) the revenues of the subsidiary, on a consolidated basis with its subsidiaries, as reflected in the most recent annual audited statement of income and loss of the reporting issuer that the reporting issuer has filed, are 10 percent or more of the consolidated revenues of the reporting issuer shown on that statement of income and loss.

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6 This definition has been added. This term is incorporated in the definition of "lump-sum provision". See footnote 9. The definition of "cash payment option" is substantially similar to the definition of this term in Ontario Securities Commission Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans.

7 This definition has been added. This term is incorporated in the definition of "cash payment option". The definition of "dividend or interest reinvestment plan" is substantially similar to the definition of this term in Ontario Securities Commission Rule 45-502 Dividend or Interest Reinvestment and Stock Dividend Plans.

8 This definition has been added for the purposes of the new exemption provided in Part 7. The definition is identical to the definition of this term in proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI) and is derived from the provisions of securities legislation of some Canadian jurisdictions which provides exemptive relief from the insider reporting requirement for certain corporate events.

9 This definition has been added. This term is used in section 5.1 to clarify that the exemption does not apply to securities acquired under lump-sum provisions of automatic securities purchase plans, including cash payment options of dividend or interest reinvestment plans.

10 This definition has been added for the purposes of the new exemption provided in section 6.1. The definition is based in part on the wording used in securities legislation which provides an exemption from issuer bid requirements for bids which meets this requirement. These bids are typically referred to as normal course issuer bids.

11 The term "issuer bid" is defined in National Instrument 14-101 Definitions as having the meaning ascribed to that term in securities legislation.

12 This definition is consistent with the comparable definitions in the British Columbia and Quebec policies referred to in note 1. It differs from the Ontario policy in one important respect. A major subsidiary in the Ontario policy included a subsidiary whose directors and senior officers, in the ordinary course, received notice of material facts or changes with respect to a reporting issuer before public disclosure. As a result, if some or all of the directors and senior officers received such information in any capacity, the subsidiary would constitute a major subsidiary and all of the directors and officers would be denied the exemption notwithstanding that certain directors and officers would not have been privy to the information. It has been decided that only those directors and senior officers who actually receive this type of information should be denied the exemption. This has been dealt with in section 2.2 of this Instrument. The definition has not changed from that contained in the 1999 Proposed National Instrument.

PART 2 EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF CERTAIN SUBSIDIARIES

2.1 Reporting Exemption - Subject to section 2.2, the insider reporting requirement[13] does not apply to a director or senior officer of a subsidiary of the reporting issuer in respect of securities of the reporting issuer.

2.2 Limitation - The exemption in section 2.1 is not available if the director or senior officer

(a) receives, in the ordinary course, information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed;

(b) is a director or senior officer of a significant subsidiary; or

(c) is also an insider of the reporting issuer in a capacity other than as a director or senior officer of the subsidiary and is not otherwise exempted from the insider reporting requirement.

PART 3 EXEMPTION FROM INSIDER REPORTING FOR DIRECTORS AND SENIOR OFFICERS OF AFFILIATES OF INSIDERS OF A REPORTING ISSUER

3.1 Québec - This Part does not apply in Québec.[14]

3.2 Reporting Exemption - Subject to section 3.3, the insider reporting requirement does not apply to a director or senior officer of an affiliate of an insider of the reporting issuer in respect of securities of the reporting issuer.

3.3 Limitation - The exemption in section 3.2 is not available if the director or senior officer

(a) receives, in the ordinary course, information as to material facts or material changes concerning the reporting issuer before the material facts or material changes are generally disclosed;

(b) is also an insider of the reporting issuer in a capacity other than as a director or senior officer of an affiliate of an insider of the reporting issuer and is not otherwise exempted from the insider reporting requirement; or

(c) is a director or senior officer of a company that supplies goods or services to the reporting issuer or to a subsidiary of the reporting issuer or has contractual arrangements with the reporting issuer or a subsidiary of the reporting issuer, and the nature and scale of the supply or the contractual arrangements could reasonably be expected to have a significant effect on the market price or value of the securities of the reporting issuer.[15]

PART 4 LIST OF EXEMPTED INSIDERS

4.1 List of Exempted Insiders - A reporting issuer shall maintain a list of all insiders of the reporting issuer exempted by Parts 2 and 3 of this Instrument and the basis on which each insider is entitled to rely on one of the exemptions.

PART 5 REPORTING OF ACQUISITIONS UNDER AUTOMATIC SECURITIES PURCHASE PLANS

5.1 Reporting Exemption - Subject to sections 5.2 and 5.3, the insider reporting requirement does not apply to the acquisition by a director or senior officer of a reporting issuer or of a subsidiary of the reporting issuer[16] of securities of the reporting issuer pursuant to an automatic securities purchase plan, other than the acquisition of securities by a director or senior officer pursuant to a lump-sum provision[17] of the plan.

5.2 Limitation

(1) The exemption in section 5.1 is not available to an insider that beneficially owns, directly or indirectly, voting securities of the reporting issuer, or exercises control or direction over voting securities of the reporting issuer, or a combination of both, that carry more than 10 percent of the voting rights attaching to all outstanding voting securities of the reporting issuer.

(2) In Québec, subsection (1) does not apply.

(3) In Québec, the exemption in section 5.1 is not available to a person who exercises control over more than 10 percent of a class of shares of a

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13 The term "insider reporting requirement" is defined in National Instrument 14-101 Definitions as "the requirement in securities legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer".

14 A director or senior officer of an affiliate of an insider of the reporting issuer is not an insider under the *Securities Act* (Québec).

15 This is an expansion of the provision in the British Columbia and Ontario policies referred to in note 1 as it goes beyond the supply of goods and services to cover other contractual arrangements and removes the reference to factors affecting the supply of goods or services and instead refers to the nature and scale of the supply or the contractual arrangements. This Part has not changed from the 1999 Proposed National Instrument.

16 See footnote 3.

17 This provision has been revised to clarify that the exemption does not apply to securities acquired under lump-sum provisions. See the definition of this term in Part 1.

reporting issuer to which are attached voting rights or an unlimited right to a share of the profits of the reporting issuer and in its assets in case of winding-up.

5.3 **Reporting Requirement** - An insider who relies on the exemption from the insider reporting requirement contained in section 5.1[18] shall report, in the form prescribed for insider trading reports under securities legislation, all acquisitions of securities under the automatic securities purchase plan that have not previously been reported by or on behalf of the insider

(a) for any securities acquired under the automatic securities purchase plan which have been disposed of or transferred, within the time required by securities legislation for reporting the disposition or transfer; and

(b) for any securities acquired under the automatic securities purchase plan during a calendar year which have not been disposed of or transferred, within 90 days of the end of the calendar year[19].

PART 6 REPORTING FOR NORMAL COURSE ISSUER BIDS

6.1 **Reporting for Normal Course Issuer Bids[20]** - Despite any requirement of securities legislation relating to the insider reporting requirement that an issuer file a report for each acquisition of securities by the issuer under an issuer bid within 10 days of the date of the acquisition, the issuer may report, in the form prescribed for insider trading reports under securities legislation, acquisitions of securities by it under a normal course issuer bid within 10 days of the end of the month in which the acquisitions occurred.

18 The wording has been revised to clarify that the reporting requirement in section 5.3 applies to insiders who rely on the exemption in section 5.1, not to insiders who may be exempt but nonetheless do not utilize the exemption.

19 The annual reporting requirement has been changed to provide for reporting on a calendar year, as opposed to a financial year, basis.

20 This new exemption from the insider reporting requirement has been added to allow issuers conducting normal course issuer bids to report on acquisitions under such bids within 10 days after the month in which the acquisitions occur, instead of within 10 days of each acquisition.

PART 7 REPORTING FOR CERTAIN ISSUER EVENTS[21]

7.1 **Reporting Exemption** - Subject to section 7.2, the insider reporting requirement does not apply to a change in direct or indirect beneficial ownership of, or control or direction over securities by an insider of a reporting issuer for securities of the reporting issuer pursuant to an issuer event of the issuer.

7.2 **Reporting Requirement** - An insider who relies on the exemption from the insider reporting requirement contained in section 7.1 shall report, in the form prescribed for insider trading reports under securities legislation, all changes in direct or indirect beneficial ownership of, or control or direction over securities by, the insider for securities of the reporting issuer pursuant to an issuer event that have not previously been reported by or on behalf of the insider, within the time required by securities legislation for the insider to report any other change in direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer.

PART 8 EFFECTIVE DATE

8.1 **Effective Date** - This National Instrument comes into force on •, 2000.

21 This Part has been added to provide an exemption from the insider reporting requirement for changes in direct or indirect beneficial ownership of, or control or direction over, securities by an insider that result from certain issuer events that affect all holders of a class of securities in the same manner, such as a stock dividend, stock split, consolidation, amalgamation, reorganization or merger. Currently, the securities legislation of some Canadian jurisdictions provides for an exemption from the insider reporting requirement upon the occurrence of specified corporate events, such as those set forth above, where an officer of the issuer files a notice of the transaction within 10 days. Under proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI), which establishes an electronic filing system for insider trade reporting, SEDI issuers will be required to report such events. However, under the electronic filing system, such reports will not adjust the individual disclosure for insiders. In light of this, the existing exemption will not effectively co-exist with the new electronic filing system for SEDI issuers and for this reason the CSA propose to revoke the existing exemptive relief in Canadian securities legislation. Nonetheless, the CSA believes that exemptive relief should be provided to insiders in these circumstances and accordingly the exemption in Part 7 has been provided to provide exemptive relief for insiders whose holdings are affected by such events.

COMPANION POLICY 55-101CP TO NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

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COMPANION POLICY 55-101CP TO NATIONAL INSTRUMENT 55-101 EXEMPTION FROM CERTAIN INSIDER REPORTING REQUIREMENTS

PART 1 PURPOSE

1.1 **Purpose** - The purpose of this Companion Policy is to set out the views of the Canadian securities regulatory authorities on various matters relating to National Instrument 55-101 Exemption from Certain Insider Reporting Requirements (the "Instrument").

PART 2 DEFINITIONS

2.1 **Definitions** - The definition of automatic securities purchase plan in the Instrument includes employee share purchase plans and dividend or interest reinvestment plans so long as the criteria in the definition are met.

PART 3 SCOPE OF EXEMPTIONS

3.1 **Scope of Exemptions** - The exemptions under the Instrument are only exemptions from the insider reporting requirement and are not exemptions from the provisions in Canadian securities legislation imposing liability for improper insider trading.

PART 4 AUTOMATIC SECURITIES PURCHASE PLANS[1]

4.1 Automatic Securities Purchase Plans

(1) Section 5.1 of the Instrument provides an exemption from the insider reporting requirement for acquisitions by a director or senior officer of a reporting issuer or of a subsidiary of the reporting issuer[2] of securities of the reporting issuer pursuant to an automatic securities purchase plan.

(2) The exemption does not apply to securities acquired under optional cash purchase components of dividend or interest reinvestment plans or share purchase plans, the "lump-sum" provisions of share purchase plans, and stock option plans[3].

(3) A person relying on this exemption who does not dispose of or transfer securities which were acquired under an automatic securities purchase

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1 The heading of this Part has been revised to reflect more accurately the provisions contained in the Part.

2 The addition of the words "or by a director or senior officer of a subsidiary of the reporting issuer" reflects a change to the National Instrument.

3 The addition of the words "the lump-sum provisions of share purchase plans" reflect the change in the National Instrument.

plan during the year must report all acquisitions under the automatic securities purchase plan annually no later than 90 days after the end of the calendar year[4]. If a person who relies on the exemption does dispose of or transfer securities acquired under an automatic securities purchase plan, the person must report the acquisition of those securities as contemplated by clause 5.3(a) of the Instrument.

(4) This section does not relieve a director or senior officer from his or her insider reporting obligations in respect of dispositions or transfers of securities[5].

(5) A director or senior officer must report dispositions or transfers of securities, and any acquisitions of securities which are not exempt from the insider reporting obligation[6], within the time periods prescribed by securities legislation.

The report for those acquisitions or dispositions need not include acquisitions under an automatic securities purchase plan unless clause 5.3(a) of the Instrument requires the reporting of those acquisitions.

(6) Clause 5.3(a) requires reports for acquisitions of any securities under an automatic securities purchase plan which are disposed of or transferred. Accordingly, in these circumstances, if securities acquired under an automatic securities purchase plan are disposed of or transferred, and the acquisitions of these securities have not been previously reported, the insider report will show, for the securities which are disposed of or transferred, for each acquisition of such securities, the particulars relating to the date of acquisition of such securities, the number of securities acquired and the acquisition price of such securities. The report would also show, for each disposition or transfer, the related particulars for the disposition or transfer of the securities[7]. It would be prudent practice for the director or senior officer to indicate in such insider report, by way of the "Remarks" section, or otherwise[8], that he or she participates in an automatic securities purchase plan and that not all purchases under that plan have been included in the report.

(7) The annual report should include, for acquisitions of securities under a plan not previously reported, a report for each acquisition, showing the date of acquisition, the number of securities acquired, and the unit price for each acquisition.

(8) The annual report that an insider files for acquisitions under the automatic securities purchase plan in accordance with clause 5.3(b) of the Instrument will reconcile the acquisitions under the plan with other acquisitions or dispositions by the director or senior officer so that the report provides an accurate listing of the director's or senior officer's total holdings. As required by securities legislation, the report filed by the insider must differentiate between securities held directly and indirectly and must indicate the registered holder if securities are held indirectly. In the case of securities acquired pursuant to a plan, the registered holder is often a trustee or plan administrator.

4.2 Design and Administration of Plans - Part 5 of the Instrument provides a limited exemption from insider reporting requirements only in circumstances in which an insider, by virtue of participation in an automatic securities purchase plan, is not making discrete investment decisions for acquisitions under such plan. Accordingly, if it is intended that insiders of an issuer rely on this exemption for a particular plan of an issuer, the issuer should design and administer the plan in a manner which is consistent with this limitation[9].

PART 5 EXISTING EXEMPTIONS

5.1 Existing Exemptions - Insiders can continue to rely on orders of Canadian securities regulatory authorities, subject to their terms, which exempt certain insiders, on conditions, from all or part of the insider reporting requirement, despite implementation of the Instrument.

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[4] The change from financial year of the reporting issuer to calendar year reflects a change to the National Instrument relating to annual reporting. The wording has been revised to clarify that the requirement to report annually applies if there have been no dispositions or transfers of securities which were acquired under the plan during the year.

[5] This paragraph has been revised to clarify that the exemption does not apply to dispositions or transfers of securities.

[6] See footnote above.

[7] These changes provide the CSA's views as to the information to be provided if a report is to be made under clause 5.3(a).

[8] The changes in this sentence reflect the fact that the proposed electronic filing system for insider reporting under proposed National Instrument 55-102 System for Electronic Data on Insiders (SEDI) will not permit filing of paper forms.

[9] This new Part has been added to advise issuers and insiders of the views of the CSA that, if it is intended that insiders of an issuer rely on the exemption contained in the Instrument for a particular plan, such plan must be designed and administered by the issuer in a manner which is consistent with the limitation that the insiders are not making discrete investment decisions for acquisitions under the plan.

6.1.3 NI 55-102 - System for Electronic Data on Insiders (SEDI)

NOTICE OF PROPOSED NATIONAL INSTRUMENT 55-102, FORMS 55-102F1, 55-102F2, 55-102F3, 55-102F4 AND 55-102F5, COMPANION POLICY 55-102CP SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

Substance and Purpose of Proposed National Instrument

The System for Electronic Data on Insiders known as SEDI is an initiative of the Canadian Securities Administrators (the "CSA") that will facilitate filing and public dissemination of insider reports in electronic format through an Internet web site. The proposed rules governing the electronic filing of insider reports through SEDI are set forth in a proposed National Instrument, five related Forms and a Companion Policy (collectively, the "proposed instruments"). The text of each proposed instrument accompanies this Notice.

The proposed National Instrument defines "SEDI issuers" to mean reporting issuers, other than mutual funds, that are required to file disclosure documents in electronic format through SEDAR[1] and provides that insiders of these SEDI issuers are required to file their insider reports in electronic format through SEDI. To facilitate electronic filing of insider reports, the proposed National Instrument also provides that SEDI issuers are required to file certain information electronically through SEDI. Insiders of reporting issuers that do not file their disclosure documentation in SEDAR will continue to file insider reports in paper format.

The objective of SEDI is to allow insiders of most reporting issuers to file their insider reports in electronic format over the Internet using commonly available web browsers. Furthermore, by filing an insider report in SEDI, an insider will be able to satisfy the requirements of the securities legislation of all CSA jurisdictions that have insider reporting requirements. Insiders are currently required to file separately by paper or facsimile in each applicable jurisdiction.

The National Instrument is being proposed for implementation as a rule, regulation or other appropriate instrument in each of the CSA jurisdictions where insider reporting requirements have been adopted.

Summary of Proposed National Instrument

The proposed National Instrument sets out the principal requirements and procedures relating to electronic filing of insider reports and other related information.

Insider Profiles

Before filing an insider report in SEDI, an insider will be required to file an insider profile in electronic format containing information identifying the insider and the insider's relationship to one or more SEDI issuers. The information required to be provided in the insider profile is prescribed by Form 55-102F1 and consists principally of the information required to be included in the existing form of insider report that typically would not change as a result of changes in the insider's security holdings. An insider will be required to file an amended insider profile in SEDI format within 10 days following any change in the information contained in its insider profile.

Insider Reports

Once an insider profile has been filed in SEDI, insider reports may be filed electronically by or on behalf of the profiled insider. The information required to be included in an insider report filed electronically is prescribed in Form 55-102F2. Insider reports filed in SEDI format will contain information substantially similar to that which is contained in the existing paper form of insider report with the addition of a separate section for third party derivative securities to facilitate insider reporting of trades in exchange-traded or over-the-counter options or other derivatives.

Since the reports will be filed as data, and prepared within the system, SEDI will be able to pre-populate certain form information (e.g. opening balances of securities held), automatically perform certain calculations (e.g. closing securities balances) and perform various edit checks (e.g. ensure all required fields have been completed with valid data) prior to allowing transmission of the completed online report through SEDI. It is expected that this function will significantly reduce the number of deficient insider reports filed.

Securities legislation in several CSA jurisdictions currently requires insiders to report their trades within 10 days after the date of the trade. Securities legislation in other jurisdictions such as British Columbia requires insiders to report their trades within 10 days after the end of the month in which the trade occurs. Upon implementation of the proposed National Instrument, the securities legislation in British Columbia will require insider reports to be filed within 10 days after a trade is made. The requirement to report trades within 10 days in several jurisdictions combined with the implementation of electronic filing and dissemination of insider reports will ensure that the trading activities of insiders will become much more transparent.

Issuer Filing Requirements Under SEDI

All SEDI issuers will be required to file a supplement to their SEDAR issuer profiles through SEDI. This issuer profile supplement will facilitate the filing of insider reports using information provided by the SEDI issuer. Initially, the issuer profile supplement must disclose the designation of each outstanding security or class or series of outstanding securities issued by the SEDI issuer. The issuer profile supplement must be filed within 3 business days of the date that the proposed National Instrument becomes effective or the date that the issuer becomes a SEDI issuer, as applicable. When there is a change in information or an issuance of a security or class or series of securities that is not already disclosed in the issuer profile supplement, the SEDI issuer must file an amended issuer profile supplement in SEDI format immediately.

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[1] SEDAR is the acronym for System for Electronic Document Analysis and Retrieval, the computer system that the CSA mandated under National Instrument 13-101 for the electronic filing of disclosure documents under Canadian securities legislation.

Every SEDI issuer must also file an issuer event report immediately following the occurrence of an "issuer event", which includes a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of the SEDI issuer in the same manner. Issuer event reports must include the information prescribed by Form 55-102F3. Issuer event reports will be displayed for the issuer's insiders in SEDI, thereby assisting these insiders to report changes in their security holdings resulting from issuer events.

Development and Operation of SEDI

The system is being developed according to specifications established by the CSA and will allow insiders of SEDI issuers or their filing agents to file insider reports over the Internet using commonly available web browsers (with no other specialized software requirement). CDS INC. ("CDS") the subsidiary of The Canadian Depository for Securities Limited currently operating SEDAR, has been appointed by the CSA to act as project manager for this undertaking and to operate SEDI upon its implementation. CDS is currently working with the CSA toward the development of the system.

It is currently anticipated that SEDI will be available to receive filings 24 hours a day, 7 days a week, subject to service interruptions for maintenance and other technical requirements.

User Registration

Currently, individuals in a variety of capacities are involved in filing insider reports in paper format with the securities regulatory authorities. Individual insiders, representatives of company insiders and lawyers or other agents are typically participants in the insider reporting process. In SEDI, any individual wishing to access the system to make a filing will be required to register with CDS, the system operator. Individuals will be able to register for this purpose by going to the SEDI web site and completing an online user registration form. The information required to be provided for user registration purposes is set out in Form 55-102F4.

For security purposes, the individual user will be required to print and sign a paper copy of the registration form and deliver the signed copy to CDS by prepaid mail, courier or facsimile. An individual that has completed the online user registration process may immediately proceed to make filings in SEDI. However, any insider reports or other information submitted through SEDI prior to completion of this registration process will not be considered filed or made publicly accessible until CDS confirms to the securities regulatory authorities that the paper copy of the individual user's registration form has been completed, signed and delivered as required.

Security Access Keys

In order to permit insiders and issuers that are required to file information in SEDI to control information filed by others on their behalf, it is proposed that SEDI will issue alpha-numerical access keys to insiders and issuers when their profiles or profile supplements are first created in SEDI. Thereafter, any filing of information in SEDI on behalf of an insider or issuer will require the use of the access key assigned to that insider or issuer. Insiders and issuers will be able to provide their access key to authorized representatives and filing agents from time to time to facilitate filing on their behalf but will be able to obtain a new access key at any time, thereby retaining ultimate control over those who are permitted to file information in SEDI on their behalf.

Jurisdiction of Filing

Under the proposed National Instrument, upon the filing of an insider report in SEDI, it will be considered to have been filed in each jurisdiction where the particular insider is required to satisfy an insider reporting requirement under applicable securities legislation.

Certification Requirements

The proposed National Instrument does not require signatures on SEDI filings. However, the insider or any agent acting on the insider's behalf will be required to certify by electronic means that the information filed electronically in an insider profile or insider report is true and complete in every respect. In the case of a filing agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete.

Temporary Hardship Exemption

The proposed National Instrument contains a temporary hardship exemption that will permit an insider to make a filing in paper format rather than in SEDI format if short term technical difficulties arise in filing an insider report in SEDI format. This exemption will require insiders to file initially in paper format within a prescribed timeframe and will require them to make a SEDI filing once the technical difficulties have been resolved. An insider report filed in paper format must be prepared in accordance with Form 55-102F5.

Other Exemptive Relief

The proposed National Instrument provides that the regulator or the securities regulatory authority may grant an exemption to the National Instrument; however, in Ontario, only the regulator may grant such an exemption.

Proposed Implementation Date

The CSA believe that it is in the public interest to implement electronic filing and dissemination of insider reports as soon as possible. It is anticipated that the proposed electronic filing and dissemination system will be fully developed and ready to accept electronic filings on or about December 4, 2000. Accordingly, this date has been included in the proposed National Instrument as the effective date.

The CSA recognizes that SEDI issuers and insiders may have concerns with respect to the transition from paper filing to electronic filing, particularly with respect to the requirement that SEDI issuers file the issuer profile supplement within 3 business days of the effective date of the National Instrument. The CSA is considering whether special transitional provisions are necessary and would welcome any specific comments on this issue.

Paper Filing Regime

As noted previously, the proposed National Instrument provides that insiders of non-SEDI issuers must continue to file insider reports in paper format. The existing form of insider report used in the CSA jurisdictions with insider reporting requirements has been adopted for this purpose and designated as Form 55-102F5. No material changes have been made to the existing form.

In addition, section 109 of the *Securities Act* (Ontario) (the "Ontario Act"), which requires that an insider report be filed where voting securities are registered in the name of a person or company, other than the beneficial owner, who is known to be an insider (except where there was a transfer for the purpose of giving collateral for a genuine debt), is not affected by the proposed instruments and, consequently, any reports required to be filed under this section will continue to be filed in paper format.

Subsection 117(1) of the Ontario Act, which requires a management company to file a report where there are certain transactions (e.g. a purchase, sale or loan) between a mutual fund and any related person or company, is not affected by the proposed instruments and, consequently, any reports required to be filed under this section will continue to be filed in paper format.

Federal Insider Reporting Requirements

It is noted that SEDI only supports filing under provincial securities legislation. Consequently, insider reports filed in SEDI may not satisfy insider reporting requirements under federal legislation.

Early Warning Reports/Alternative Monthly Reports

Early Warning Reports and Alternative Monthly Reports disclosing ownership of 10% or more of a class of equity securities of a SEDAR reporting issuer are currently required to be filed as documents in SEDAR and this will continue to be the case after SEDI is implemented. The CSA is considering the possible development of functionality to provide a link in SEDI to Early Warning Reports and Alternative Monthly Reports filed in SEDAR. This is being considered because there is an exemption from the insider reporting requirements if an insider files an Early Warning Report or Alternative Monthly Report in respect of a trade. In the absence of an appropriate link between SEDI and SEDAR, information concerning positions and trades of insiders relying on this exemption will not be available through SEDI.

Summary of Companion Policy

The proposed Companion Policy provides notice of the decision of the applicable securities regulatory authorities and regulators to refrain from disclosing certain personal information filed in SEDI by or on behalf of an insider. Information that will not be made publicly available includes the insider's address (except the insider's municipality, province, territory, state and/or country), telephone number, facsimile number, e-mail address and any election to receive correspondence in French or English.

The proposed Companion Policy also provides notice of the determination of the applicable securities regulatory authorities and regulators that SEDI information to be made available to the public will be disseminated through the SEDI web site and that a requirement to produce an originally certified copy of information filed in SEDI will be satisfied through the production of a printed copy or other output certified by the regulator.

Alternatives Considered

In proposing the National Instrument, the CSA has not considered alternatives to the adoption of requirements for the filing of insider trade reports in electronic format.

Unpublished Materials

In proposing the National Instrument, the CSA has not relied on any significant unpublished study, report or other material.

Anticipated Benefits and Costs

The CSA believe that the adoption of the proposed National Instrument would provide significant benefits to filers as well as to the Canadian securities regulatory authorities. The proposed implementation of electronic filing through SEDI would make the process more efficient for filers in preparing and filing information with the securities regulatory authorities, and for the securities regulatory authorities in retrieving, storing and processing such information. The CSA also believe that the investing public will benefit as a result of the faster and more efficient dissemination of the reported information that is anticipated with electronic filing.

In particular, SEDI will benefit insiders, the securities regulatory authorities and the securities market by:

- permitting insiders to securely file insider reports in electronic format over the Internet using commonly available web browsers
- permitting insiders to satisfy the legislative requirements of all CSA jurisdictions by filing insider reports once on a system which is available to users 24 hours a day, 7 days a week, subject to service interruptions for maintenance and other technical requirements
- improving public access to insider reports by making such reports available on a web site shortly after they are filed
- reducing duplication of efforts by regulators by facilitating a co-ordinated approach to review of insider reports
- increasing the ability of regulators to effectively monitor compliance with insider reporting requirements
- automating processes that were previously manual (such as editing and validation checks) and producing exception reports (such as reports of late filings), thereby permitting the CSA to focus regulatory resources on substantive review

Insiders will not be charged fees for filing in SEDI. Rather, it is proposed that CDS will fund the start-up costs and recover these costs over five years by means of an annual service charge applied by CDS to reporting issuers that file documents through SEDAR. It is contemplated that the annual service charge would vary, depending on the type of reporting issuer. Single jurisdiction issuers would be charged $250, multi-jurisdiction issuers would be charged $750 and Prompt Offering Qualification System (POP) issuers would be charged $2,500.

Authority For Proposed National Instrument – Ontario

The National Instrument is being proposed for implementation as a rule in Ontario. The following provisions of the Ontario Act provide the Ontario Securities Commission ("OSC") with authority to adopt the proposed National Instrument as a rule. Paragraph 143(1)44 of the Ontario Act authorizes the OSC to make rules varying the application of the Ontario Act to require the use of an electronic-based system for filing of documents or information required to be filed under the Ontario Act, the regulations or rules made thereunder. Paragraph 143(1)45 of the Ontario Act authorizes the OSC to make rules establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information. Paragraph 143(1)39 of the Ontario Act authorizes the OSC to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Ontario Act, the regulations or the rules made thereunder and all documents determined by such regulations or rules to be ancillary to the documents. Paragraph 143(1)46 of the Ontario Act authorizes the OSC to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose of the Ontario Act. Paragraph 143(1)22 of the Ontario Act authorizes the OSC to make rules prescribing requirements in respect of the preparation and dissemination, by reporting issuers, of documents providing for continuous disclosure that are in addition to the requirements under the Ontario Act. Paragraph 143(1)49 of the Ontario Act authorizes the OSC to make rules varying the Ontario Act to permit or require methods of filing or delivery, to or by the OSC, issuers, registrants, security holders or others, of documents, information, notices, books, records, things, reports, orders, authorizations or other communications required under or governed by the Ontario securities laws. Paragraph 143(1)30 of the Ontario Act authorizes the OSC to make rules providing for exemptions from any requirement of Part XXI (Insider Trading and Self-Dealing) of the Ontario Act. Paragraph 143(1)35 of the Ontario Act authorizes the OSC to make rules regulating or varying the Ontario Act in respect of derivatives including prescribing disclosure requirements.

Conflicting Regulations – Ontario

In connection with the implementation of the proposed National Instrument, it is the intention of the OSC to amend the Regulation under the Ontario Act to the extent that certain provisions of the Regulation are in conflict with the provisions of the proposed National Instrument. The implementation of the proposed National Instrument requires that the following amendments to the Regulation be made:

(1) section 161, which provides that documents required to be signed or certified be manually signed, will be amended by adding a reference to the proposed National Instrument so that the words appearing before clause (a) will read as follows:

> "Except as otherwise provided in the Act, section 11, 174 or 181 of the Regulation under the Act, the Rule entitled "In the Matter of Certain Reporting Issuers", [1980], OSCB 166, Rule 55-502 Facsimile Filing or Delivery of Insider Reports, [1998], OSCB 2925 or National Instrument 55-102 System for Electronic Data on Insiders,";

(2) section 173, which enables a person or company required to file a report in accordance with Form 36 to be deemed to have complied with such requirement if a report prepared in accordance with Form 36 is filed in a Canadian jurisdiction other than Ontario with a securities commission or agent designated by the OSC for the purpose of accepting such filings, will be amended to change the form reference and to make this provision inapplicable to insiders that are required to make SEDI filings; and

(3) section 174, which enables a report filed in accordance with Form 36 to contain a facsimile signature if an originally signed copy is filed concurrently with a securities commission in Canada designated by the OSC for the purpose of accepting such filings, will be amended to change the form reference and to make this provision inapplicable to insiders that are required to make SEDI filings.

In addition, the OSC Notice accompanying proposed National Instrument 55-101 Exemption From Certain Insider Reporting Requirements ("NI 55-101") states that the OSC proposes to revoke subsections 172(1) and (2) of the Regulation upon implementation of NI 55-101. It is proposed that these provisions, which are described below, will be replaced by the new exemptions that will be available to insiders under NI 55-101.

Subsection 172(1) provides that upon the occurrence of a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar corporate event that affects all holdings of a class of securities in the same manner, on a per share basis, the reporting requirements of Part XXI of the Ontario Act will be deemed to have been satisfied as they apply to a holder of the class of securities of an issuer that is affected, where an officer of the issuer files written notice of the event, including a description of the effect on each class of securities of the issuer that is affected, within 10 days of the event.

Subsection 172(2) provides that upon the acquisition by a person or company of securities of an issuer through a stock dividend plan, share purchase plan or other plan available to a class of securityholders, employees or management of an issuer, the reporting requirements of Part XXI of the Ontario Act will be deemed to have been satisfied as they apply to the person or company where an officer of the issuer files written notice including a description of the transaction and the effect

upon the holdings of the person or company within 10 days of the transaction.

Amendment of Existing OSC Rules

Implementation of the proposed National Instrument will result in the need to amend existing Rule 55-501 Insider Report and existing Rule 55-502 Facsimile Filing or Delivery of Insider Reports. It is proposed that the following section be added to each of these Rules:

> "2. The requirements of this Rule do not apply to insiders reporting a transaction in accordance with National Instrument 55-102 System for Electronic Data on Insiders (SEDI)."

Amendment to OSC Policy 2.2

The adoption of the Companion Policy providing for confidential treatment of certain information filed by insiders in SEDI will require that OSC Policy 2.2, part C, paragraph (k), which provides for the public availability of reports filed under section 107 of the Ontario Act, be amended to make this provision inapplicable to reports filed under section 107 in SEDI format.

CSA Notice 55-301 Filing Insider Reports by Facsimile and Exemption Where Minimal Connection to Jurisdiction

Upon the implementation of the proposed instruments, CSA Notice 55-301, which documents the acceptance of insider reports filed by facsimile by certain CSA jurisdictions and which sets out the minimal connection exemptions of certain insiders in Manitoba, Saskatchewan and Nova Scotia, will not be applicable to insiders that are required to make SEDI filings.

Comments

Interested parties are invited to make written submissions with respect to the proposed instruments. Submissions received by September 14, 2000 will be considered. In view of the CSA's belief that it is in the public interest to implement SEDI as soon as the system is available, this deadline will be strictly observed.

Submissions should be sent to all Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission in duplicate, as indicated below.

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario
M5H 3S8
jstevenson@osc.gov.on.ca

Submissions should also be addressed to the Commission des valeurs mobilières du Québec as follows:

Claude St Pierre, Secrétaire
Commission des valeurs mobilières du Québec
800 Victoria Square
Stock Exchange Tower
P.O. Box 246, 23rd Floor
Montréal, Québec H4Z 1G3

A diskette containing an electronic copy of the submissions (in DOS or Windows format, preferably Microsoft Word) should also be submitted. As securities legislation in certain provinces requires a summary of written comments received during the comment period be published, confidentiality of submissions received cannot be maintained.

Questions may be referred to any of:

Melinda Ando
Legal Counsel
Alberta Securities Commission
(403) 297-7274
melinda.ando@seccom.ab.ca

Andrew Richardson
Manager, Statutory Filings
British Columbia Securities Commission
(604) 899-6730 or
(800) 373-6393 (in B.C.)
arichardson@bcsc.bc.ca

Laura Startup
Senior Legal Counsel
British Columbia Securities Commission
(604) 899-6748 or
(800) 373-6393 (in B.C.)
lstartup@bcsc.bc.ca

Cynthia Rogers
Senior Legal Counsel, Corporate Finance
Ontario Securities Commission
(416) 593-8261
crogers@osc.gov.on.ca

Ritu Kalra
Accountant, Corporate Finance
Ontario Securities Commission
(416) 593-8063
rkalra@osc.gov.on.ca

Elyse Turgeon
Conseiller Juridique
Commission des valeurs mobilières du Québec
(514) 940-2199 ext. 4396 or
(800) 361-5072 (in Quebec)
elyse.turgeon@cvmq.com

Sylvie Lalonde
Conseillère en règlementation
Commission des valeurs mobilières du Québec
(514) 940-2199 ext. 4555 or
(800) 361-5072 (in Quebec)
sylvie.lalonde@cvmq.com

Proposed National Instrument, Forms and Companion Policy

The texts of the proposed National Instrument, Forms and Companion Policy follow, together with footnotes that are not part of the proposed National Instrument but have been included to provide background and explanation.

DATED: June 16, 2000.

NATIONAL INSTRUMENT 55-102

SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

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NATIONAL INSTRUMENT 55-102

SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions – In this Instrument

"access key" means an alpha-numerical code issued by SEDI in respect of each insider that files an insider profile in SEDI format and in respect of each SEDI issuer that files an issuer profile supplement in SEDI format;

"class" includes a series of a class;

"filing agent" means a person or company that is authorized by a SEDI filer to make a SEDI filing on behalf of the SEDI filer;

"insider profile" means a set of information providing a profile of a person or company that is an insider of a SEDI issuer;

"insider report" means a report required to be filed under an insider reporting requirement[1], or a report required to be filed under the securities legislation by an insider of a reporting issuer disclosing a transfer of securities of the reporting issuer into the name of an agent, nominee or custodian[2];

"issuer event" means a stock dividend, stock split, consolidation, amalgamation, reorganization, merger or other similar event that affects all holdings of a class of securities of an issuer in the same manner;

"issuer event report" means a report of the occurrence of an issuer event;

"issuer profile supplement" means information that a SEDI issuer is required to file under section 2.4 of this Instrument and that supplements the filer profile required to be filed under subsection 5.1(1) of National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR);

"paper format" means the format of a document printed on paper;

"SEDI" means the online computer system for the transmission, receipt, review and dissemination of insider reports filed electronically, which is known as the System for Electronic Data on Insiders;

"SEDI application server" means the application server maintained by the SEDI operator for the receipt of information filed in SEDI format;

"SEDI database server" means the database server maintained by the SEDI operator for the storage of information filed in SEDI format;

"SEDI filer" means a person or company referred to in subsection 2.1 that is required to make a SEDI filing in accordance with this Instrument;

"SEDI filing" means information that is filed under securities legislation or securities directions in SEDI format or the act of filing information under securities legislation or securities directions in SEDI format, as the context indicates;

"SEDI format" means the electronic format of information that is prepared and transmitted electronically in accordance with this Instrument;

"SEDI issuer" means a reporting issuer, other than a mutual fund, that is required to comply with National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) by virtue of paragraph 1 or 2 of subsection 2.1(1) of that Instrument;

"SEDI operator" means CDS INC. or a successor appointed by the securities regulatory authority to operate SEDI;

"SEDI software application" means the software that provides all functionality for SEDI users;

"SEDI user" means an individual who has registered with the SEDI operator for the purposes of making SEDI filings; and

"SEDI web site" means the web site maintained by the SEDI operator for the filing of information in SEDI format.

1.2 Interpretation

(1) In this Instrument, unless the context otherwise requires, "information" includes "profile", "report" and "supplement" as those words are used in this Instrument or in other securities legislation or securities directions, as applicable.

(2) The transmission of information in SEDI format in accordance with this Instrument constitutes the filing of that information under securities legislation or securities directions, as applicable, if the information is required or permitted to be filed under the securities legislation or securities directions.

PART 2 SEDI FILING REQUIREMENTS

2.1 Filers Required To Make SEDI Filings - The following persons or companies shall comply with this Instrument:

1. Every insider of a SEDI issuer that is required to file an insider report in respect of that SEDI issuer.

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1 The term "insider reporting requirement" is defined in National Instrument 14-101 Definitions as the requirement in securities legislation that an insider of a reporting issuer file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer.

2 As the definition of "insider reporting requirement" does not refer to the requirement in securities legislation that an insider of a reporting issuer file a report disclosing a transfer of securities of the reporting issuer into the name of an agent, nominee or custodian, the definition of "insider report" has been expanded to include this type of report.

2. Every SEDI issuer that is required to file an issuer profile supplement or an issuer event report under this Instrument.

2.2 Filing of Insider Profile

(1) An insider of a SEDI issuer shall file an insider profile in SEDI format before that insider files an insider report in SEDI format.

(2) An insider profile shall contain the information set out in Form 55-102F1.

(3) An insider of a SEDI issuer that has filed an insider profile in SEDI format shall file an amended insider profile in SEDI format within 10 days following any change in the information contained in its insider profile.

2.3 Filing of Insider Reports in SEDI Format

(1) An insider of a SEDI issuer that is required to file an insider report in that capacity shall file the insider report in SEDI format in accordance with this Instrument.

(2) An insider report that is filed in SEDI format shall contain the information set out in Form 55-102F2.

2.4 Filing of Issuer Profile Supplement

(1) Every issuer that is a SEDI issuer on the date that this Instrument becomes effective shall file an issuer profile supplement in SEDI format within three business days after that date.

(2) Every issuer that becomes a SEDI issuer after the effective date of this Instrument shall file an issuer profile supplement in SEDI format within three business days after the date that it becomes a SEDI issuer.

(3) An issuer profile supplement shall contain the designation of each outstanding security or each class of outstanding securities issued by the SEDI issuer.

(4) A SEDI issuer shall file an amended issuer profile supplement in SEDI format immediately following the issuance of any security or class of securities that is not designated in its issuer profile supplement or any change in the designation of any security or class of securities disclosed in or required to be disclosed in its issuer profile supplement.

2.5 Filing of Issuer Event Report

(1) A SEDI issuer shall file an issuer event report in SEDI format immediately following the occurrence of an issuer event.

(2) An issuer event report that is required to be filed under subsection (1) shall contain the information set out in Form 55-102F3.

2.6 Filing of Insider Reports in Paper Format

(1) An insider report that is not required to be filed in SEDI format under this Instrument shall be filed in paper format unless the securities regulatory authority has approved the filing of the information in SEDI format.

(2) An insider report that is required to be filed in paper format shall be prepared in accordance with Form 55-102F5.

2.7 Manner of Effecting SEDI Filings – Information that is filed in SEDI format shall be transmitted electronically using the SEDI software application at the SEDI web site.

2.8 SEDI Users

(1) Before making a SEDI filing, a SEDI filer or a filing agent shall, or in the case of a person or company other than an individual, shall cause an individual representative to, become a SEDI user by:

(a) transmitting a completed registration form in SEDI format to the SEDI operator; and

(b) delivering a copy of the completed registration form in paper format to the SEDI operator.

(2) A registration form transmitted under paragraph (1)(a) shall contain the information set out in Form 55-102F4 and the paper format copy of the registration form delivered under paragraph (1)(b) shall contain the manual or facsimile signature of the individual being registered.

(3) The paper format copy of the registration form delivered under paragraph (1)(b) shall be sent to the SEDI operator by prepaid mail, courier or facsimile at the address or number indicated in Form 55-102F4, as applicable, or in such other manner as the securities regulatory authority has approved.

(4) Information transmitted in SEDI format by the individual referred to in subsection (1) is not considered filed for purposes of securities legislation or securities directions until the SEDI operator has confirmed to the securities regulatory authority that a paper format copy of the individual's registration form has been completed, signed and delivered in accordance with this Instrument.

2.9 Date of Filing – Subject to subsection 2.8(4), information filed in SEDI format is, for purposes of securities legislation or securities directions, filed on the day that the transmission of the information to the SEDI application server is completed.

PART 3 SEDI FILING EXEMPTION

3.1 Temporary Hardship Exemption

(1) If unanticipated technical difficulties prevent the timely submission of an insider report in SEDI format, a SEDI filer may file the insider report in paper format as soon as practicable and in any event no later than two business days after the day on which the insider report was required to be filed.

(2) An insider report filed in paper format under subsection (1) shall be prepared in accordance with Form 55-102F5 and shall include the following legend in capital letters at the top of the front page:

IN ACCORDANCE WITH SECTION 3.1 OF NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI), THIS INSIDER REPORT IS BEING FILED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

(3) The requirements of securities legislation relating to paper format filings of insider reports apply to a filing under subsection (1) except that signatures to the paper format document may be in typed form rather than manual format.

(4) If an insider report is filed in paper format in the manner and within the time prescribed in this section, the date by which the information is required to be filed under securities legislation is extended to the date on which the filing is made in paper format.

(5) If a SEDI filer makes a paper format filing under this section, the SEDI filer shall file the insider report in SEDI format as soon as practicable after the unanticipated technical difficulties have been resolved.

PART 4 PREPARATION AND TRANSMISSION OF SEDI FILINGS

4.1 SEDI Web Site - A SEDI filing shall be made using the SEDI software application located on the SEDI web site.

4.2 Access Key – Information transmitted in SEDI format by or on behalf of a SEDI filer shall include the SEDI filer's access key.

4.3 Format of Information and Number of Copies - A requirement in securities legislation relating to the format in which a report or other information to be filed must be printed or specifying the number of copies of a report or other information that must be filed does not apply to a SEDI filing made in accordance with this Instrument.

4.4 Official Copy of SEDI Information – For purposes of securities legislation, securities directions or any other related purpose, the official record of any information filed in SEDI format by a SEDI filer is the electronic information stored on the SEDI database server.

PART 5 EXEMPTION

5.1 Exemption

(1) The regulator or the securities regulatory authority may grant an exemption to this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

PART 6 EFFECTIVE DATE

6.1 Effective Date – This Instrument comes into force on December 4, 2000.

FORM 55-102F1

Insider Profile

An insider profile filed in SEDI format shall contain the following information:

1. **Insider's full name**

Provide the full legal name of the insider. Do not use initials, nicknames or abbreviations. If the insider is an individual, complete the "Insider's Family Name" and the "Insider's Given Name" fields. Otherwise, complete the "Insider's Company Name" field.

2. **Name of insider's representative (if applicable)**

If the insider is not an individual, provide the full legal name of a representative of the insider.

3. **Insider's address**

If the insider is an individual, provide the insider's principal residential address. Otherwise, provide the business address where the insider's representative (provided in item 2 above) is employed. In each case, include the municipality, province or territory and postal code, as applicable. In the case of U.S. residents, state and zip code must be provided.

4. **Insider's telephone number**

Provide a daytime telephone number for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

5. **Insider's facsimile number**

If available, provide a facsimile number for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

6. **Insider's e-mail address**

If available, provide an e-mail address for the insider (if the insider is an individual) or for the insider's representative (if the insider is not an individual).

7. **Name of reporting issuer**

Provide the name of the reporting issuer(s) in respect of which the insider is required to file insider reports in SEDI format. Select the name of each reporting issuer to be added from the list of all SEDAR reporting issuers provided for this purpose. Where the profiled insider has ceased to be an insider of a reporting issuer listed in the insider profile, delete the name of the reporting issuer from the insider profile and complete item 10 below.

8. **Insider's relationship to reporting issuer**

For each reporting issuer disclosed under item 7 above, indicate all of the insider's relationships to that reporting issuer by selecting from the list of relationship types provided.

9. **Date on which insider became an insider**

If the insider has not previously filed an insider report in respect of a reporting issuer disclosed under item 7 above, provide the date on which the insider became an insider.

10. **Date on which insider ceased to be an insider**

If the insider has ceased to be an insider of a reporting issuer disclosed previously under item 7 above, provide the date on which this occurred.

Optional Information

An insider profile filed in SEDI format may, at the option of the insider, contain the following information:

11. **Correspondence in English or French (Quebec residents only)**

If the insider is an individual resident in Quebec, the insider may choose to receive any correspondence from the securities regulatory authority in Quebec in English. If no choice is made, any correspondence from the securities regulatory authority in Quebec shall be in French.

12. **List of registered holders of securities**

A list of registered holders of securities owned indirectly or over which control or direction is exercised by the insider may be created in the insider's profile. Any entry in this list may then be selected when an insider report is prepared in SEDI format and registered holder information is required. The full legal name of the registered holder should be provided in each case.

Certification

The insider or the insider's agent must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete. It is an offence to file information that, at the time and in the light of the circumstances in which it is given, contains a misrepresentation.

Notice – Collection and Use of Personal Information

The personal information prescribed by this form is collected on behalf of and used by the Securities Commissions set out below for purposes of the administration and enforcement of the insider trading provisions of the securities legislation in Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Ontario, Quebec and Saskatchewan. All of the information prescribed by this form, except the name of an insider's representative (if the insider is not an individual) and an insider's (or its representative's) address (excluding municipality, province, territory, state and/or country), telephone number(s), facsimile number(s), e-mail address and language preference (if applicable), is made public pursuant to National Instrument 55-102 and Companion Policy 55-102CP and the securities legislation in each of the jurisdictions indicated above. If you have any questions about the collection and use of this information, contact the Securities

Commission(s) in the jurisdiction(s) in which the form is filed, at the address(es) set out below.

Alberta Securities Commission
4th Floor, 300-4th Avenue S.W.
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

British Columbia Securities Commission
200- 865 Hornby Street
Vancouver, BC V6Z 2H4
Attention: Supervisor, Insider Reporting
Telephone: (604) 899-6548 or
(800) 373-6393 (in B.C.)
Facsimile: (604) 899-6760

Manitoba Securities Commission
1130-405 Broadway
Winnipeg, MB R3C 3L6
Attention: Assistant Counsel
Telephone: (204) 945-3625
Facsimile: (204) 945-4508

Securities Commission of Newfoundland
P.O. Box 8700
2nd Floor, West Block
Confederation Building
75 O'Leary Avenue
St. John's, NFLD A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
P.O. Box 458
Halifax, NS B3J 3J9
Attention: FOI Officer
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON
M5H 3S8
Attention: FOI Coordinator
Telephone: (416) 593-8314
Facsimile: (416) 593-8122

Commission des valeurs mobilières du Québec
Stock Exchange Tower
P.O. Box 246, 22nd Floor
800 Victoria Square
Montréal, PQ H4Z 1G3
Attention: The Person in Charge of Access to Documents or of Protection of Personal Information
Telephone: (514) 940-2150 or
(800) 361-5072 (in Quebec)
Facsimile: (514) 864-6381

Saskatchewan Securities Commission
800-1920 Broad Street
Regina, SK S4P 3V7
Attention: Deputy Director, Registration
Telephone: (306) 787-5842
Facsimile: (306) 787-5899

FORM 55-102F2

Insider Report

An insider report filed in SEDI format shall contain the following information:

1. **Name of reporting issuer**

Provide the name of the issuer of the securities that are the subject of the insider report. A separate report must be filed for each reporting issuer. Choose the name of the reporting issuer from the list of one or more reporting issuers created previously in the insider's profile. If the name of the relevant reporting issuer does not appear in the list, the insider's profile must be amended to add the name of the relevant reporting issuer before the insider report may be completed.

2. **Amended report**

Indicate whether the report is intended to amend information contained in a previous insider report filed in SEDI format. If so, the amended report should contain all information required to be disclosed in the original report.

3. **Type of security**

For each position or transaction being reported, indicate the type of the relevant security or class of securities by selecting (A) Equity, (B) Debt or (C) Third Party Derivative. This selection will determine the nature of the information to be reported in each case. If the security is an option, warrant or other derivative security issued by the reporting issuer, select (A) Equity or (B) Debt based on the type of underlying security or underlying class of securities involved.

4. **Designation of class of securities**

Provide the designation of each security or class of securities that is the subject of the insider report. For each security or class of securities, (A) select the relevant designation from the list of designations shown, as reported by the reporting issuer or, (B) if the relevant designation is not provided in the issuer's list, select the relevant designation from a master list provided by SEDI or, (C) if the relevant designation is not provided in the master list, select "Other" and provide the proper designation of the relevant security or class of securities in the field provided.

5. **Balance of class of securities held (initial SEDI report only)**

If the insider is filing an initial report of securities held on becoming an insider or is reporting a change in a security or class of securities not previously reported in SEDI format, provide the initial number or amount of securities held in the field provided for this purpose. For debt securities, provide the aggregate nominal value of the securities held.

If the insider has previously filed a report in SEDI disclosing the balance of the security or class of securities held, the opening balance of securities held in the class of securities being reported is generated by the SEDI software application based on all previous reports filed in respect of the relevant class of securities.

6. **Date of transaction**

Provide the date of each transaction being reported using the "Day", "Month" and "Year" fields provided for this purpose. Provide the "trade date" not the "settlement date".

7. **Nature of transaction**

Indicate the nature of each transaction being reported using the list of transaction types provided for this purpose.

8. **Number/value of securities acquired**

Disclose the number or value of securities acquired for each transaction involving an acquisition of securities.

9. **Number/value of securities disposed of**

Disclose the number or value of securities disposed of for each transaction involving a disposition of securities.

10. **Unit price/exercise price**

Disclose the price per security paid or received by the insider for each transaction being reported. Do not reduce the price being reported to reflect the amount of any commission paid. If the insider is acquiring or disposing of an option, warrant or other derivative security issued by the reporting issuer for consideration other than cash or property, report the exercise price, if any, instead of the price per security paid or received. If the exercise price of the derivative security will adjust on one or more specified dates, provide the details of the adjustment terms in the "Additional Comments" field.

11. **Currency**

If the price paid or received is in a currency other than Canadian dollars, select the relevant currency from the list provided for this purpose.

12. **New balance of class of securities held**

After the number or value of securities acquired or disposed of has been provided in the applicable field, a new balance of the security or class of securities held will be generated automatically by SEDI. If the amount reported by SEDI is not correct, the correct balance must be reported in the field provided for this purpose. The insider should make all reasonable efforts to reconcile the balance reported by SEDI with the balance believed by the insider to be correct. An incorrect balance may have resulted from an error in a previous insider report or from a failure to report a previous transaction.

13. **Direct/indirect ownership, control or direction**

If the insider is reporting a balance of securities held, indicate whether the securities are (A) beneficially owned directly, (B) beneficially owned indirectly or (C) controlled or directed.

14. **Identity of registered holder of securities where ownership is indirect or where control or direction is exercised**

Provide the name of the registered holder of the securities held if beneficial ownership of the securities is indirect or if control or direction is exercised over the securities. If available, select the name of the registered holder from the list that may have been created in the insider's profile. If a list is not available, enter the full legal name of the registered holder in the field provided.

15. **Additional comments**

Provide any additional information required to fully understand the nature of the position(s) and/or trade(s) in the securities that are the subject of the report. At the option of the insider, any other additional comments may be provided. Indicate whether the comments are intended to be viewed by the public or are to be kept confidential by selecting public or private access, as applicable. If the information disclosed is required to understand the nature of the position or transaction being reported, then public access must be provided.

Transactions In Third Party Derivatives

If the transaction being reported is the acquisition or disposition of an option or other derivative security issued by a person or company other than the reporting issuer, the following additional information must be disclosed, if applicable:

16. **Designation of underlying security or class of securities**

Provide the designation of the underlying security or class of securities to which the third party derivative security relates. Select the relevant designation from the list of designations shown, as reported by the reporting issuer or, if the relevant designation of the underlying security is not provided in the issuer's list, select the relevant designation of the underlying security from a master list provided by SEDI or, if the relevant designation is not provided in the master list, select "Other" and provide the proper designation of the underlying security or underlying class of securities in the field provided.

17. **Conversion or exercise price of derivative security**

Provide the conversion or exercise price of the third party derivative security by entering the amount in the field provided for this purpose. If the conversion or exercise price is in a currency other than Canadian dollars, select the relevant currency from the list provided.

18. **Date derivative security becomes exercisable**

If the third party derivative security is not exercisable immediately, specify the date that the third party derivative security becomes exercisable using the "Day", "Month" and "Year" fields provided.

19. **Expiration date of derivative security**

If the third party derivative security expires on a given date, specify the expiration date using the "Day", "Month" and "Year" fields provided.

20. **Amount of underlying securities**

Disclose the number or value of the underlying securities that may be purchased or sold upon conversion or exercise of the third party derivative security or that otherwise determines the value of the third party derivative security.

21. **Price of derivative securities**

Disclose the premium or other amount paid or received by the insider in connection with the acquisition or disposition of the third party derivative security. If the premium or other amount paid or received is in a currency other than Canadian dollars, select the relevant currency from the list provided.

Certification

The insider or the insider's agent must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the insider is still responsible for ensuring that the information filed by the agent is true and complete. It is an offence to file information that, at the time and in the light of the circumstances in which it is given, contains a misrepresentation.

Notice – Collection and Use of Personal Information

The personal information prescribed by this form is collected on behalf of and used by the Securities Commissions set out below for purposes of the administration and enforcement of the insider trading provisions of the securities legislation in Alberta, British Columbia, Manitoba, Newfoundland, Nova Scotia, Ontario, Quebec and Saskatchewan. All of the information prescribed by this form, except any additional comments that the insider designates as "Private" under item 15 above, is made public pursuant to National Instrument 55-102 and Companion Policy 55-102CP and the securities legislation in each of the jurisdictions indicated above. If you have any questions about the collection and use of this information, contact the Securities Commission(s) in the jurisdiction(s) in which the form is filed, at the address(es) set out below.

Alberta Securities Commission
4th Floor, 300-4th Avenue S.W.
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

British Columbia Securities Commission
200- 865 Hornby Street
Vancouver, BC V6Z 2H4
Attention: Supervisor, Insider Reporting
Telephone: (604) 899-6548 or
(800) 373-6393 (in B. C.)
Facsimile: (604) 899-6760

Manitoba Securities Commission
1130-405 Broadway
Winnipeg, MB R3C 3L6
Attention: Assistant Counsel
Telephone: (204) 945-3625
Facsimile: (204) 945-4508

Securities Commission of Newfoundland
P.O. Box 8700
2nd Floor, West Block
Confederation Building
75 O'Leary Avenue
St. John's, NFLD A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
P.O. Box 458
Halifax, NS B3J 3J9
Attention: FOI Officer
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, ON
M5H 3S8
Attention: FOI Coordinator
Telephone: (416) 593-8314
Facsimile: (416) 593-8122

Commission des valeurs mobilières du Québec
Stock Exchange Tower
P.O. Box 246, 22nd Floor
800 Victoria Square
Montréal, PQ H4Z 1G3
Attention: The Person in Charge of Access to Documents or of Protection of Personal Information
Telephone: (514) 940-2150 or
(800) 361-5072 (in Quebec)
Facsimile: (514) 864-6381

Saskatchewan Securities Commission
800-1920 Broad Street
Regina, SK S4P 3V7
Attention: Deputy Director, Registration
Telephone: (306) 787-5842
Facsimile: (306) 787-5899

FORM 55-102F3

Issuer Event Report

An issuer event report filed in SEDI format shall contain the following information:

1. **Description of the issuer event**

Select the transaction type that appropriately describes the issuer event from the list provided for this purpose. If an appropriate transaction type is not provided in the list, select "Other" and describe the transaction in the box provided for this purpose.

2. **Affected class of securities**

Indicate each security or class of securities affected by the issuer event by selecting the affected security or class of securities from the list created in the issuer's profile supplement.

3. **Effective date of issuer event**

Disclose the effective date of the issuer event using the "Day", "Month" and "Year" fields provided for this purpose.

4. **Transaction ratio**

If applicable, provide the ratio by which the affected security or class of securities of the issuer has been adjusted by the issuer event.

5. **Rounding option**

If the ratio indicated in item 4 above will result in a fractional number of securities when applied to adjust the number of securities held by any insider, the issuer should indicate whether the number of securities held by the insider should be rounded up or down.

Optional Information

An issuer event report filed in SEDI format may, at the option of the issuer, contain the following information:

6. **General remarks**

Using the field provided, the issuer may disclose additional information concerning the issuer event to assist those viewing the issuer event report. Information provided in this field will be accessible by the public.

7. **Remarks to securities regulatory authority**

Using the field provided, the issuer may disclose additional information concerning the issuer event to staff of the securities regulatory authority. Information provided in this field will not be accessible by the public.

8. **Remarks to insiders**

Using the field provided, the issuer may disclose additional information concerning the issuer event to insiders of the issuer. Information provided in this field will not be accessible by the public.

9. **New class of security created**

If applicable, the issuer may report the designation of any new security or class of securities created as a result of the issuer event. The correct designation of each new security or class of securities created should be disclosed.

10. **New issuer created**

If applicable, the issuer may report the name of any new reporting issuer(s) created as a result of the issuer event. The full legal name of each new reporting issuer should be disclosed.

FORM 55-102F4

SEDI USER REGISTRATION FORM

TO: CDS INC.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Fax: (416) 365-9194

Section 1 SEDI User Information

Family Name:		Given Name:
Employer Name (if applicable):		
Address (Street name and number):		
City/Town:	Province/Territory/State:	Postal Code/Zip Code:
Telephone No.: ( )	Fax No.: ( )	
Internet E-mail Address:		

Section 2 SEDI User Classification

Check the appropriate box or boxes:		
☐ Insider	☐ Agent	☐ Issuer Representative

Section 3 Certification and Acknowledgement of SEDI User

The undersigned hereby certifies that the foregoing information is true in all material respects. The undersigned agrees that an executed copy of Form 55-102F4, if delivered to CDS INC. by facsimile, shall have the same effect as an originally executed copy delivered to CDS INC.

Signature of SEDI User	Date:

GENERAL INSTRUCTIONS FOR USE AND COMPLETION OF

SEDI USER REGISTRATION FORM 55-102F4

Notice – Collection and Use of Personal Information

If you wish to use SEDI to file information with the Canadian Securities Administrators, you must complete this SEDI User Registration Form (Form 55-102F4). The personal information that you provide on this form is used to facilitate your access to and use of SEDI and is not used for any other purpose. The copy of the completed form that you send to CDS INC. is maintained by CDS INC. to confirm your registration as a user of SEDI and is not disclosed to any third party except any of the Canadian Securities Administrators or their authorized representatives for purposes of the administration or enforcement of securities legislation in the applicable jurisdictions. For information about the use of the information collected on this form or if you would like to obtain access to the information you have filed, contact the CDS SEDI Administrator at the address set out below.

1. **Full name of SEDI user**

Please provide your family name and your given name(s). Do not use initials, nicknames or abbreviations.

2. **Address of SEDI user**

If you are an insider, provide your principal residential address. Otherwise, provide the business address where you are employed. If you are a U.S. resident, you must provide your state and zip code.

3. **SEDI user's telephone number**

Provide your daytime telephone number.

4. **SEDI user's facsimile number**

If available, provide your facsimile number.

5. **SEDI user's e-mail address**

If available, provide your e-mail address.

6. **Check the appropriate box for SEDI user classification**

Indicate whether you expect to access SEDI as an insider, an agent and/or an issuer's representative by marking the appropriate classification box or boxes.

7. **Please send your manually signed and dated SEDI registration form via mail, courier or facsimile to:**

    CDS INC.
    85 Richmond Street West
    Toronto, Ontario M5H 2C9

    Facsimile: (416) 365-9194

8. **Questions may be directed to CDS INC. at 1-800-219-5381.**

FORM 55-102F5

INSIDER REPORT

(See instructions on the back of this report)

Notice – Collection and Use of Personal Information: The personal information provided on this form is collected on behalf of and used by the Securities Commissions set out below for purposes of the administration and enforcement of the insider trading provisions of the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland. All of the information provided on this form is made public pursuant to National Instrument 55-102 and Companion Policy 55-102CP and the securities legislation in each of the jurisdictions indicated above. If you have any questions about the collection and use of this information, contact the Securities Commission(s) in the jurisdictions in which the form is filed, at the address(es) set out on the back of this form.

BOX 1. NAME OF THE REPORTING ISSUER (BLOCK LETTERS)

BOX 2. INSIDER DATA

RELATIONSHIP(S) TO REPORTING ISSUER

DATE OF LAST REPORT FILED — DAY MONTH YEAR

OR

IF INITIAL REPORT, DATE ON WHICH YOU BECAME AN INSIDER — DAY MONTH YEAR

CHANGE IN RELATIONSHIP FROM LAST REPORT ☐ YES ☐ NO

BOX 3. NAME, ADDRESS AND TELEPHONE NUMBER OF THE INSIDER (BLOCK LETTERS)

FAMILY NAME OR CORPORATE NAME

GIVEN NAMES

NO. STREET APT

CITY

PROV. POSTAL CODE

BUSINESS TELEPHONE NUMBER

BUSINESS FAX NUMBER

CHANGE IN NAME, ADDRESS OR TELEPHONE NUMBER FROM LAST REPORT ☐ YES ☐ NO

BOX 4. JURISDICTION(S) WHERE THE ISSUER IS A REPORTING ISSUER OR THE EQUIVALENT

- ☐ ALBERTA
- ☐ BRITISH COLUMBIA
- ☐ FEDERAL
  - ☐ BANK ACT
  - ☐ CCAA
  - ☐ ICA
  - ☐ TLCA
  - ☐ CBCA
- ☐ MANITOBA
- ☐ NEWFOUNDLAND
- ☐ NOVA SCOTIA
- ☐ ONTARIO
- ☐ QUEBEC
- ☐ SASKATCHEWAN
- ☐ UNITED STATES
  - ☐ NASDAQ
  - ☐ SEC

BOX 5. INSIDER HOLDINGS AND CHANGES (IF INITIAL REPORT, COMPLETE SECTIONS (A) (D) (E) AND (F) ONLY. SEE ALSO INSTRUCTIONS TO BOX 5)

(A) DESIGNATION OF CLASS OF SECURITIES	(B) BALANCE OF CLASS OF SECURITIES ON LAST REPORT	(C) TRANSACTIONS: DATE DAY	MONTH	YEAR	NATURE	NUMBER/VALUE ACQUIRED	NUMBER/VALUE DISPOSED OF	UNIT PRICE/ EXERCISE PRICE	$ US	(D) PRESENT BALANCE OF CLASS OF SECURITIES HELD	(E) DIRECT/INDIRECT OWNERSHIP/ CONTROL OR DIRECTION	(F) IDENTIFY THE REGISTERED HOLDER WHERE OWNERSHIP IS INDIRECT OR WHERE CONTROL OR DIRECTION IS EXERCISED

ATTACHMENT ☐ YES ☐ NO

This form is used as a uniform report for the insider reporting requirements under all provincial securities Acts, *Bank Act, Cooperative Credit Associations Act, Insurance Companies Act, Trust and Loan Companies Act* and *Canada Business Corporations Act*. The terminology used is generic to accommodate the various Acts.

CORRESPONDENCE ☐ ENGLISH ☐ FRENCH

KEEP A COPY FOR YOUR FILE

FIN 55-102F5 Rev. 2000 / 6 / 13 VERSION FRANÇAISE DISPONIBLE SUR DEMANDE

DRAFT

BOX 6. REMARKS

The undersigned certifies that the information given in this report is true and complete in every respect. It is an offence to file a report that, at the time and in the light of the circumstances in which it is made, contains a misrepresentation.

BOX 7. SIGNATURE

NAME (BLOCK LETTERS) SIGNATURE DATE OF THE REPORT DAY MONTH YEAR

INSTRUCTIONS

Insider Reports in English and French are available from the Manitoba, Ontario, Québec and federal jurisdictions. If you are a corporate insider in the province of Québec, you will receive correspondence in French. Individuals in the province of Québec will receive, upon request, correspondence in English.

Where an insider of a reporting issuer does not own or have control or direction over securities of the reporting issuer, or where an insider's ownership or direction or control over securities of the reporting issuer remains unchanged from the last report filed, a report is not required. Insider reports are not required to be filed in New Brunswick, the Northwest Territories, Prince Edward Island, the Yukon or Nunavut.

"Reporting issuer" has the same meaning as the words "distributing bank" as defined in subsection 265(1) of the *Bank Act*; "distributing association" as defined in subsection 260(1) of the *Cooperative Credit Associations Act* (CCAA); and "distributing company" as defined in subsection 288(1) of the *Insurance Companies Act* (ICA) or subsection 270(1) of the *Trust and Loan Companies Act* (TLCA); "distributing corporation" as defined in subsection 126(1) of the *Canada Business Corporations Act* (CBCA).

"Debt securities" wherever it appears herein, has the same meaning as "debt obligation" as defined in subsection 2(1) of the CBCA .

BOX 1 Name of the reporting issuer
Provide the full legal name of the reporting issuer. Use a separate report for each reporting issuer.

BOX 2 Insider data
Indicate all of your relationship(s) to the reporting issuer using the following codes:

Reporting issuer that has acquired securities issued by itself (or by any of its affiliates - CBCA)	1
Subsidiary of the reporting issuer	2
Security holder who beneficially owns or who exercises control or direction over more than 10% of the securities of the reporting issuer (*Bank Act*, CCAA, ICA, TLCA, CBCA and Québec *Securities Act* – 10% of a class of shares) to which are attached voting rights or an unlimited right to a share of the profits and to its assets in case of winding up	3
Director of a reporting issuer	4
Senior officer of a reporting issuer	5
Director or senior officer of a security holder referred to in 3	6
Director or senior officer of an affiliate (*Bank Act*, CCAA, ICA, TLCA and CBCA) or of a subsidiary of the reporting issuer, other than in 4, 5 and 6	7
Deemed insider under the *Bank Act*, CCAA, ICA, TLCA and CBCA	8

If you have filed a report before, indicate whether your relationship to the reporting issuer has changed.

Specify the date of the last report you filed, and if it is an initial report, the date on which you became an insider.

BOX 3 Name, address and telephone number of the insider
Provide your name, address and business telephone number.

BOX 4 Jurisdiction
Indicate each jurisdiction where the issuer is a reporting issuer.

BOX 5 Insider holdings and changes
Show direct and indirect holdings separately, both in the initial report and where a transaction is reported. Indicate only one transaction per line.

For an initial report complete only:
(A) designation of class of securities held
(D) present balance of class of securities held
(E) nature of ownership (see List of Codes)
(F) identification of the registered holder where ownership is indirect

If you acquired or disposed of securities while an insider, complete sections (A) to (F):

(A) Indicate a designation of the securities traded that is sufficient to identify the class, including yield, series, maturity.

(B) Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, before the transaction that is being reported.

(C) Indicate for each transaction:
- the date of the transaction (not the settlement date)
- the nature of the transaction (see List of Codes)
- the number of securities acquired or disposed of, or for debt securities, the aggregate nominal value
- the unit price paid or received on the day of the transaction, excluding the commission
- if the report is in American dollars, check the space under "$ US"

DRAFT

List of Codes

BOX 5 (C) Nature of transaction

Aquisition or disposition carried out in the market, excluding the exercise of an option	10
Private placement (issuance from treasury)	11
Acquisition or disposition carried out privately (already issued securities)	20
Acquisition or disposition pursuant to a takeover bid or issuer bid	22
Change in the nature of ownership	25
Acquisition or disposition under a plan	30
Stock dividend	35
Acquisition or disposition of a call option	40
Acquisition or disposition of a put option	45
Expiration of an option	46
Acquisition or disposition by gift	50
Acquisition by inheritance or disposition by bequest	55
Short sale	60
Grant of warrants	65
Grant of rights	66
Exercise of warrants	70
Expiration of warrants	71
Expiration of rights	72
Exercise of rights	75
Exercise of options	76
Conversion or exchange	78
Stock split or consolidation	84
Redemption/retraction/cancellation/repurchase	85
Compensation for property	90
Compensation for services	95
Grant of options	96
Other than referred to above (please explain in Remarks)	97
Correction of information (please explain in Remarks)	99

(D) Indicate the number of securities, or for debt securities, the aggregate nominal value, of the class held, directly and indirectly, after the transaction that is being reported.

(E) Indicate the nature of ownership, control or direction of the class of securities held using the following codes:

Direct ownership	0
Indirect ownership (identify the registered holder)	1
Control or direction (identify the registered holder)	2

(F) For securities that are indirectly held, or over which control or direction is exercised, identify the registered holder.

BOX 6 Remarks
Add any explanation necessary to make the report clearly understandable.

If space provided for any item is insufficient, additional sheets may be used. Additional sheets must refer to the appropriate Box and must be properly identified and signed.

Office staff are not permitted to alter a report.

BOX 7 Signature and filing
Sign and date the report.

File two copies of the report in each jurisdiction in which the issuer is reporting within the time limits prescribed by the applicable laws of that jurisdiction. British Columbia requires only one copy.

Manually sign one of the two copies.

Legibly print or type the name of each individual signing the report.

If the report is filed on behalf of a company, partnership, trust or other entity, legibly print or type the name of that entity after the signature.

If the report is signed on behalf of an individual by an agent, there shall be filed with each jurisdiction in which the report is filed a duly completed power of attorney.

Alberta Securities Commission
4th Floor, 300 – 4th Avenue S.W.
Calgary, AB T2P 3C4
Attention: Information Officer
Telephone: (403) 297-6454
Facsimile: (403) 297-6156

Office of the Superintendent of Financial Institutions, Canada
13th Floor, Kent Square
255 Albert Street
Ottawa, Ontario K1A 0H2

British Columbia Securities Commission
200 - 865 Hornby Street
Vancouver, BC V6Z 2H4
Attention: Supervisor, Insider Reporting
Telephone: (604) 899-6548 or (800) 373-6393 (in BC)
Facsimile: (604) 899-6760

Director, Canada Business Corporations Act
9th Floor
Jean Edmonds Tower South
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

Manitoba Securities Commission
1130 – 405 Broadway
Winnipeg, MB R3C 3L6
Attention: Assistant Counsel
Telephone: (204) 945-3625
Facsmile: (204) 945-4508

Securities Commission of Newfoundland
P.O. Box 8700, 2nd Floor West Block
Confederation Building
75 O'Leary Avenue
St. John's, NFLD A1B 4J6
Attention: Director of Securities
Telephone: (709) 729-4189
Facsimile: (709) 729-6187

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
P.O. Box 458
Halifax, NS B3J 3J9
Attention: FOI Officer
Telephone: (902) 424-7768
Facsimile: (902) 424-4625

Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Attention: FOI Coordinator
Telephone: (416) 593-8314
Facsimile: (416) 593-8122

Commission des valeurs mobilieres du Québec
Stock Exchange Tower
P.O. Box 246, 22nd Floor
899 Victoria Square
Montreal, PQ H4Z 1G3
Attention: The Person in Charge of Access to Documents or of Protection of Personal Information
Telephone: (514) 940-2150 or
(800) 361-5072 (in Quebec)
Facsimile: (514) 864-6381

Saskatchewan Securities Commission
800 – 1920 Broad Street
Regina, SK S4P 3V7
Attention: Deputy Director, Registration
Telephone: (306) 787-5842
Facsimile: (306) 787-5899

COMPANION POLICY 55-102CP TO NATIONAL INSTRUMENT 55-102 SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

PART 1 PUBLIC AVAILABILITY OF SEDI INFORMATION

1.1 The securities legislation of several provinces requires, in effect, that information filed with the securities regulatory authority or, where applicable, the regulator under such securities legislation be made available for public inspection during normal business hours except for information that the securities regulatory authority or, where applicable, the regulator, either

(1) believes to be personal information of such a nature that the desirability of avoiding disclosure thereof in the interest of any affected individual outweighs the desirability of adhering to the principle that information filed with the securities regulatory authority or the regulator, as applicable, be available to the public for inspection, or

(2) considers that it would not be prejudicial to the public interest to hold the information in confidence.

Based on the above mentioned provisions of the securities legislation, the securities regulatory authority or the regulator, as applicable, has determined that the information listed in Schedule A to this Policy discloses personal information concerning insiders that are required to file in SEDI and has further determined that the desirability of avoiding disclosure of this personal information in the interests of the affected insiders outweighs the desirability of making the information available to the public for inspection and, in the case of Alberta, the securities regulatory authority and the regulator consider that it would not be prejudicial to the public interest to hold the information listed in Schedule A to this Policy in confidence. Accordingly, the information listed in Schedule A to this Policy will not be made publicly available.

1.2 The securities regulatory authority or the regulator, as applicable, has further determined that, in the case of information filed in SEDI format other than information listed in Schedule A to this Policy, the requirement that this information be made available for public inspection will generally be satisfied by making the information available on the SEDI web site.

PART 2 PRODUCTION OF SEDI FILINGS

2.1 The securities legislation of several provinces contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. The securities regulatory authority or the regulator, as applicable, considers that it may satisfy such a requirement in the case of information filed in SEDI format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the regulator that the printed copy or output is a copy of the information filed in SEDI format.

SCHEDULE A TO COMPANION POLICY 55-102CP SYSTEM FOR ELECTRONIC DATA ON INSIDERS (SEDI)

The following information filed in Form 55-102F1 Insider Profile will not be made available for public inspection:

1. Name of insider's representative (if insider is not an individual) (item 2)
2. Insider's address including postal code but excluding municipality, province, territory, state and/or country (item 3)
3. Insider's telephone number(s) (item 4)
4. Insider's facsimile number(s) (item 5)
5. Insider's e-mail address (item 6)
6. Correspondence in English or French (item 11)

The following information filed in Form 55-102F2 Insider Report will not be made available for public inspection:

1. Additional comments that the insider designates as "Private" (item 15)

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds Issuers of exempt financings that they are responsible for the completeness, accuracy and timely filing of Forms 20 and 21 pursuant to section 72 of the Securities Act and section 14 of the Regulation to the Act. The information provided is not verified by staff of the Commission and is published as received except for confidential reports filed under paragraph E of the Ontario Securities Commission Policy Statement No. 6.1.

Reports of Trades Submitted on Form 45-501f1

Trans. Date	Security	Price ($)	Amount
11Apr00	Asia Content.com, Ltd. - Class A Common Stock	US$7,000	500
May00	Asset Allocation Diversified Private Trust - Units	1,854,425	170,233
26Apr00	AT&T Wireless Group - Common Stock	US$604,750	20,500
26May00	Behaviour Communications Inc. - Class B Subordinate Voting Shares	7,920,000	7,920,000
11Apr00	Bookham Technology plc - Ordinary Shares	US$544,552	34,400
05May00	BPI American Opportunities Fund - Units	2,225,681	14,527
19May00	BPI American Opportunities Fund - Units	2,584,509	17,484
02Jun00	Brandselite International Corporation - Common Shares	2,000,000	20,000,000
31May00	Bryker Technology Partners, L.P. - Class A Limited Partnership Interest	328,125	2,187,500
20Apr00 to 19May00	Burgundy European Equity Fund - Units	680,000	68,114
20Apr00 to 19May00	Burgundy Japan Fund - Units	1,375,000	71,263
20Apr00 to 19May00	Burgundy Smaller Companies Fund - Units	675,000	48,893
04Apr00	Cabot Microelectronics - Common Stock	US$156,000	7,800
23May00	Canadian Golden Dragon Resources Ltd. - Common Shares	2,750	12,500
23May00	Centillium Communications, Inc. - Common Stock	14,322	500
23May00	Centillium Communications, Inc. - Common Stock	42,966	1,500
17May00	Centraxx, Inc. - Common Shares	154,385	24,390
06Jun00	CGX Energy Inc. - Common Shares Purchase Warrants	US$118,750	125,000
26May00	Changepoint Corporation - Class B Preferred Shares	20,572,510	1,535,262
26May00	Changepoint Corporation - Class B Preferred Shares	17,868,015	1,333,434
Apr00	Connor Clark Private Trust	US$2,011,447	2,011,447
Apr00	Connor Clark Private Trust	10,036,903	10,036,903
03Mar00	Cymat Corp. - Special Warrants	160,000	320,000

Trans. Date		Security	Price ($)	Amount
06Mar00		Cymat Corp. - Special Warrants	150,000	264,692
06Mar00		Cymat Corp. - Special Warrants	338,218	676,436
06Mar00		Cymat Corp. - Special Warrants	200,000	706,000
29May00		Defiant Energy Corporation - Flow-Through Common Shares	308,000	280,000
May00		Diversified Private Trust - Units	1,069,383	96,666
17Apr00		Dynegy Inc. - Class A Common Stock	US$110,000	2,000
19Apr00		ERAC USA Finance Company - 8.25% Notes due May 1, 2000	US$5,000,000	5,000,000
10Apr00		Exelixis, Inc. - Common Stock	US$897,000	69,000
07Jun00	#	Exult, Inc. - Shares of Common Stock	US$2,000,000	200,000
31May00		GPC Biotech AG - Ordinary Bearer Shares	168,456	5,000
14Apr00		HSBC Holdings plc - Preferred Securities	US$360,000	360,000
20May00		Icor Brokerage Inc. - Units	225,000	225,000
22May00		Integrated Circuit Systems, Inc. - Common Stock	9,799	500
May00		International Diversified Private Trust - Units	1,212,945	115,186
24May00		Lightspeed Semiconductor Corporation - Shares of Series D Preferred Stock	US$999,997	358,422
25May00		Madison Oil Company - Common Shares	1,145,994	2,557
25May00		Madison Oil Company - Common Shares	6,587,355	14,702
18Apr00		Master Credit Card Trust - Account #291 - 5.76% Credit Card Receivables-Back Notes	742,050,000	7,500,000
18Apr00		Master Credit Card Trust - Account 302 - 5.76% Credit Card Receivables-Back Notes	742,050,000	7,500,000
04Apr00		Metlife Capital Trust I - 8.00 Equity Security Units	US$250,000	5,000
04Apr00		Metlife, Inc. - Common Stock	US$2,530,800	177,600
30May00		MetroPhotonics Inc. - Units	US$1,246,000	311,500
25May00		MMX Ventures Inc. - Units	110,000	1,000,000
25May00		MTC Growth Fund I - Inc. - Shares	500,000	25,358
22Mar00		Navitrak International Corporation - Special Warrants	1,656,250	1,325,000
06Apr00		Network Plus Corp. - Depositary Shares	US$200,000	4,000
06Apr00		Network Plus Corp. - Common Stock	US$145,000	5,000
12Apr00		Nuance Communications, Inc. - Common Stock	US$73,100	4,300
31May00		Penfund Mezzanine Limited Partnership - Units	21,000,000	42
31May00		Penfund Mezzanine Master Trust - Units	5,000,000	10
29May00		PL Internet Inc. - Common Shares	300,000	4,975,124
31May00		Playdium Entertainment Corporation - Series A & B Convertible Subordinate Debentures	1,200,000, 1,200,000	1, 5 Resp.
06Apr00		Saba Software, Inc. - Common Stock	US$55,500	3,700
25May00		Sentinel Hill Alliance Atlantis Equicap Millennium Limited Partnership - Units	27,049,408	1,690
31May00		Shaw Communications Inc.\ 875500 Alberta Ltd. - Debentures	US$33,923,000	33,923
11May00		Sigem Inc.	120,000	120,000
11May00		Sigem Inc.	120,000	120,000
29May00		Solium Capital Inc. -	1,000,000	1,111,112
31May00		Twenty-First Century International Equity Fund - Units	100,000	11,886
30May00		Universal Compression Holdings, Inc. - Shares	US$1,430,000	65,000
27Apr00		West TeleServices Corporation - Common Stock	US$157,500	7,500
25May00		Wired Merchant.com Inc. - Special Warrants	200,000	200,000
23May00		YMG Emerging Companies Fund - Units	54,199	988

Resale of Securities - (Form 45-501f2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
17May00	09Mar00	Trinity Wood Capital Corporation	DXStorm Inc.- Series One Special Warrants	73,085	52,204

Notice of Intention to Distribute Securities Pursuant to Subsection 7 of Section 72 - (Form 23)

Seller	Security	Amount
Melnick, Larry	Champion Gold Resources Inc. - Subordinate Voting Shares and Multiple Voting Shares	98,824, 100,000 Resp.
Mozer, Richard	Devine Entertainment Corporation - Common Shares	500,000
Devine, David	Devine Entertainment Corporation - Common Shares	500,000
Marshall Minerals Corp.	Eden Roc Mineral Corp. - Common Shares	200,000
Belkin Enterprises Ltd.	Hillisborough Resources Limited - Common Shares	3,661,980
1068236 Ontario Ltd.	Mortice Kern Systems Inc. - Common Shares	250,000
Tocher, James	NTS Computer Systems Inc. - Common Shares	2,762,026
Oncan Canadian Holdings Ltd.	Onex Corporation - Subordinate Voting Shares	989,800
Faye, Michael R.	Spectra Inc. - Common Shares	200,000
Malion, Andrew J.	Spectra Inc. - Common Shares	195,000
Canada (Federal)	Viva Care Health E-Store Inc. - Class A & B Common Shares	6,743,334, 8 Resp.
376348 Alberta Inc.	Wenzel Dowhole Tools Ltd. - Convertible Preferred Shares	2,000,000
Mourin, Stanley	Western Troy Capital Resources Inc. - Common Shares	60,000
Mourin, Barbara	Western Troy Capital Resources Inc. - Common Shares	41,000

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Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Alberta Energy Company Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
$230,000,000 - 8.38% Capital Securities due June 27,2040
Underwriter(s), Agent(s) or Distributor(s):
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
N/A
Project #275488

Issuer Name:
Axxent Inc. (Formerly OCI Communications Inc.)
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 12th, 2000
Mutual Reliance Review System Receipt dated June 14th, 2000
Offering Price and Description:
$180,200,000 - 12,521,750 Class B Non-Voting Shares
Underwriter(s), Agent(s) or Distributor(s):
Griffiths McBurney & Partners
CIBC World Markets Inc.
Yorkton Securities Inc.
Scotia Capital Inc.
Credit Susie First Boston Securities Canada Inc.
Promoter(s):
N/A
Project #276295

Issuer Name:
BPI International Equity Value RSP Fund
C.I. American Managers RSP Fund
C.I. Canadian Equity Fund
C.I. Global RSP Fund
BPI American Equity Value Fund
BPI American Equity RSP Fund
BPI Global Equity Value Fund
BPI Global Equity RSP Fund
BPI International Equity Value Fund
C.I. American Fund
C.I. American RSP Fund
C.I. Canadian Growth Fund
C.I. Emerging Markets Fund
C.I. Emerging Markets RSP Fund
C.I. Global Biotechnology RSP Fund
C.I. Global Business-to-Business (B2B) RSP Fund
C.I. Global Consumer Products RSP Fund
C.I. Global Equity RSP Fund
C.I. Global Financial Services RSP Fund
C.I. Global Fund
C.I. Global Health Sciences RSP Fund
C.I. Global Managers RSP Fund
C.I. Global Technology RSP Fund
C.I. Global Telecommunications RSP Fund
C.I. International Fund
C.I. International RSP Fund
C.I. Japanese RSP Fund
C.I. Pacific Fund
C.I. Pacific RSP Fund
C.I. Canadian Balanced Fund
C.I. Global Boomernomics RSP Fund
C.I. International Balanced Fund
C.I. International Balanced RSP Fund
C.I. Canadian Bond Fund
C.I. World Bond Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealer
Promoter(s):
C.I. Mutual Funds Inc.
Project #275114

Issuer Name:
C.I. Sector Fund Limited - C.I. American Managers Sector A Shares
C.I. Sector Fund Limited - C.I. Global Equity Sector A Shares
C.I. Sector Fund Limited - BPI American Equity Value Sector F Shares
C.I. Sector Fund Limited - BPI Global Equity Value Sector F Shares
C.I. Sector Fund Limited - BPI International Equity Value Sector F Shares
C.I. Sector Fund Limited - C.I. American Managers Sector F Shares
C.I. Sector Fund Limited - C.I. American Sector F Shares
C.I. Sector Fund Limited - C.I. Canadian Sector F Shares
C.I. Sector Fund Limited - C.I. Emerging Markets Sector F Shares
C.I. Sector Fund Limited - C.I. Global Biotechnology Sector F Shares
C.I. Sector Fund Limited - C.I. Global Business-to-Business (B2B) Sector F Shares
C.I. Sector Fund Limited - C.I. Global Consumer Products Sector F Shares
C.I. Sector Fund Limited - C.I. Global Equity Sector F Shares
C.I. Sector Fund Limited - C.I. Global Financial Services Sector F Shares
C.I. Sector Fund Limited - C.I. Global Health Sciences Sector F Shares
C.I. Sector Fund Limited - C.I. Global Managers Sector F Shares
C.I. Sector Fund Limited - C.I. Global Sector F Shares
C.I. Sector Fund Limited - C.I. Global Technology Sector F Shares
C.I. Sector Fund Limited - C.I. Global Telecommunications Sector F Shares
C.I. Sector Fund Limited - C.I. Japanese Sector F Shares
C.I. Sector Fund Limited - C.I. Pacific Sector F Shares
C.I. Sector Fund Limited - Hansberger Value Sector F Shares
C.I. Sector Fund Limited - Harbour Sector F Shares
C.I. Sector Fund Limited - Signature American Small Companies Sector F Shares
C.I. Sector Fund Limited - Signature Canadian Sector F Shares
C.I. Sector Fund Limited - Signature Explorer Sector F Shares
C.I. Sector Fund Limited - Signature Global Small Companies Sector F Shares
C.I. Sector Fund Limited - C.I. Global Boomernomics Sector F Shares
C.I. Sector Fund Limited - C.I. Short-Term Sector F Shares
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 6th 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealers
Promoter(s):
C.I, Mutual Funds Inc.
Project #275181

Issuer Name:
C-MAC Industries Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 7th, 2000
Mutual Reliance Review System Receipt dated June 7th, 2000
Offering Price and Description:
$189,000,000 - 3,000,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Newcrest Capital Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Scotia Capital Inc.
Promoter(s):
N/A
Project #275161

Issuer Name:
CIBC Cash Management Fund
CIBC Emerging Markets Index Fund
CIBC Asia Pacific Index Fund
CIBC Nasdaq Index Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated June 13th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #275700

Issuer Name:
Canada Dominion Resources Limited Partnership V
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 9th, 2000
Mutual Reliance Review System Receipt dated June 12th, 2000
Offering Price and Description:
$8,000,000 to $* - 320,000 Limited Partnership Units to * Units
Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
ScotiaMcLeod Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Goepel McDermid Inc.
Trilon Securities Corporation
Promoter(s):
Canada Dominion Resources V Corporation
Nova Bancorp Specialty Investment Products Ltd.
Hutton Capital Corporation
Project #275876

Issuer Name:
Counsel Focus RSP Portfolio
Counsel World Equity RSP Portfolio
Counsel Select Sector Portfolio
Counsel Select Sector RSP Portfolio
Counsel Money Market
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated June 14th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Counsel Group of Funds Inc.
Promoter(s):
Counsel Group of Funds Inc.
Project #276346

Issuer Name:
Echo Bay Mines Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Shelf Form Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated June 12th, 2000
Offering Price and Description:
500,000,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
N\A
Promoter(s):
N\A
Project #275790

Issuer Name:
Elliott & Page Growth & Income Fund
Elliott & Page Global Momentum Fund
Elliott & Page RSP Global Equity Fund
Principal Ontario - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 7th, 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
Elliott & Page Limited
Project #275246

Issuer Name:
EPCOR Utilities Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated June 6th, 2000
Offering Price and Description:
$600,000,000 Medium Term Note Debentures (unsecured)
Underwriter(s), Agent(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
N/A
Project #274910

Issuer Name:
EXFO Electro-Optical Engineering Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated June 9th, 2000
Mutual Reliance Review System Receipt dated June 9th, 2000
Offering Price and Description:
6,000,000 Subordinate Voting Shares
Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
CIBC World Market Inc.
Promoter(s):
N\A
Project #275650

Issuer Name:
Harbour Fund
Hansberger Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered
Promoter(s):
C.I. Mutual Funds Inc.
Project #275096

Issuer Name:
Infowave Software, Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospect dated June 2nd, 2000
Mutual Reliance Review System Receipt dated June 6th, 2000
Offering Price and Description:
$30,030,000 - 924,000 Common Shares to be issued upon the exercise of 924,000 previously issued Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
Canaccord Capital Corporation
CIBC World Markets Inc.
Promoter(s):
N/A
Project #274230

Issuer Name:
Norrep 2000 Flow-Through Limited Partnership
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated June 12th, 2000
Mutual Reliance Review System Receipt dated June 13th, 2000
Offering Price and Description:
$5,000,000 to $20,000,000 - 500,000 to 2,000,000 Limited Partnership Units
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Peters & Co. Limited
Goepel McDermid Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Promoter(s):
Hesperian Capital Management Ltd.
Project #276266

Issuer Name:
Sobeys Inc.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Short Form Prospectus dated June 9th, 2000
Mutual Reliance Review System Receipt dated June 9th, 2000
Offering Price and Description:
$500,000,000 Medium Term Notes (unsecured)
Underwriter(s), Agent(s) or Distributor(s):
Montreal Trust Company of Canada
Promoter(s):
N\A
Project #275678

Issuer Name:
Signature American Small Companies RSP Fund
Signature Global Small Companies RSP Fund
Signature American Small Companies Fund (Formerly BPI American Small Companies
Fund)
Signature Canadian Fund
Signature Dividend Equity Fund (Formerly BPI Dividend Equity Fund)
Signature Explorer Fund (Formerly BPI Canadian Mid-Cap Fund & BPI Canadian Small
Companies Fund)
Signature Global Small Companies Fund (Formerly BPI Global Small Companies Fund)
Signature Canadian Balanced Fund (Formerly BPI Income & Growth Fund)
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated June 8th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealer
Promoter(s):
C.I. Mutual Funds Inc.
Project #275102

Issuer Name:
Creststreet 2000 Limited Partnership
Creststreet Resource Fund Limited
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 2nd, 2000 to Preliminary Prospectus dated may 19th, 2000
Mutual Reliance Review System Receipt dated 5th day of June, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Geopel McDermid Inc.
HSBC Securities Inc.
Promoter(s):
N/A
Project #269171 & 269184

Issuer Name:
eFunds Bloomberg US Internet Index Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 31st, 2000 to Simplified Prospectus and Annual Information Form dated February 17th, 2000
Mutual Reliance Review System Receipt dated 9th day of June, 2000
Offering Price and Description:
Mutual Fund Units - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
eFunds Asset Management Limited
Project #210681

Issuer Name:
Altamira Asia Pacific Fund
Principal Regulator - Ontario
Type and Date:
Amendment #4 dated June 5, 2000 to Simplified Prospectus and Annual Information Form dated July 16, 1999
Mutual Reliance Review System Receipt dated 12th June, 2000
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
Altamira Financial Services Ltd.
Promoter(s):
Altamira Investment Services Inc.
Project #182301

Issuer Name:
Applied Terravision Systems Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated June 5th, 2000
Mutual Reliance Review System Receipt dated 6th day of June, 2000
Offering Price and Description:
$10,350,000.00 - 3,450,000 Common Shares and 1,725,000 Common Share Purchase Warrants
Issuable Upon Exercise of 3,450,000 Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
Acumen Capital Finance Partners
Thomson Kernaghan & Co. Limited
Promoter(s):
Fred C. Coles
Robert W. Tretiak
Project #262656

Issuer Name:
Cymat Corp.
Type and Date:
Final Prospectus dated May 31st, 2000
Receipted 1st day of June, 2000
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
First Associates Investments Inc.
Robert Caldwell Capital Corporation
Promoter(s):
Richard J. Rusiniak
Paul B. Ramsay
Project #259676

Issuer Name:
Virtek Vision International Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated 9th day of June, 2000
Offering Price and Description:
$17,500,000.00 - 5,000,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
Yorkton Securities Inc.
Brant Securities Inc.
Promoter(s):
N/A
Project #253732

Issuer Name:
Bracknell Corporation (NP # 44 - Shelf)
Type and Date:
Final Short Form Prospectus dated June 5th, 2000
Receipted 6th day of June, 2000
Offering Price and Description:
4,000,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #273020

Issuer Name:
Burntsand Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 23rd, 2000
Mutual Reliance Review System Receipt dated 25th day of May, 2000
Offering Price and Description:
$49,499,992.00 - 4,714,285 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
Goepel McDermid Inc.
CIBC World Markets Inc.
Yorkton Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
N/A
Project #262223

Issuer Name:
Canadian Pacific Railway Company
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated 6th day of June, 2000
Offering Price and Description:
$700,000,000.00 - Medium Term Notes (unsecured)
Underwriter(s), Agent(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Promoter(s):
N/A
Project #263485

Issuer Name:
CPL Long Term Care Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 5th, 2000
Mutual Reliance Review System Receipt dated 5th day of June, 2000
Offering Price and Description:
$ 30,000,000.00 - 10.5 % Convertible Unsecured Subordinated Debentures due 2005
Underwriter(s), Agent(s) or Distributor(s):
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Trilon Securities Corporation
Promoter(s):
N/A
Project #269330

Issuer Name:
Direct Energy
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 6th, 2000
Mutual Reliance Review System Receipt dated 7th day of June, 2000
Offering Price and Description:
$75,000,000 - 11.5% Convertible Subordinated Debentures due June 30, 2005
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.,
Promoter(s):
N/A
Project #269633

Issuer Name:
Nelvana Limited (NP #44 - PREP)
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 31st, 2000
Mutual Reliance Review System Receipt 1st day of June, 2000
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #260311

Issuer Name:
Tesma International Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated 13th day of June, 2000
Offering Price and Description:
Cdn$130,414,273.00 - 4,977,644 Class A Subordinate Voting Shares
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
N\A
Project #274644

Issuer Name:
Jones Heward Fund Ltd.
Jones Heward American Fund
Jones Heward Canadian Balanced Fund
Jones Heward Bond Fund
Jones Heward Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 7th, 2000
Mutual Reliance Review Syatem Receipt 12th day of June, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealers
Promoter(s):
Jones Heward Investment Management Inc.
Project #259211

Issuer Name:
Leith Wheeler Balanced Fund
Leith Wheeler Canadian Equity Fund
Leith Wheeler U.S. Equity Fund
Leith Wheeler Fixed Income Fund
Leith Wheeler Money Market Fund
Principal Regulator - British Columbia
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 12th, 2000
Mutual Reliance Review System Receipt dated 13th day of June, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Leith Wheeler Investment Counsel Ltd.
Promoter(s):
Leith Wheeler Investment Counsel Ltd.
Project #261402

Issuer Name:
Middlefield Mutual Funds Limited - Growth Class (Formerly Middlefield Growth Fund Limited)
Middlefield Mutual Funds Limited - Equity Index Plus Class
Middlefield Mutual Funds Limited - Income Plus Class
Middlefield Canadian Realty Fund
Middlefield Enhanced Yield Fund
Middlefield Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 7th, 2000
Mutual Reliance Review System Receipt dated 8th day of June, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Middlefied Securities Limited
Promoter(s):
Middlefield Fund Management Limited
Project #259885 & 263948

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Quorum Funding SME Corporation Attention: Stephen Yee Sum Li 150 King St. West Suite 1505 Toronto, Ontario M5H 1J9	Limited Market Dealer	June 7/00
Change of Name	Spectrum Investment Management Limited Attention: Karen Anne Bleasby 145 King Street West Suite 300 Toronto, Ontario M5H 1J8	From: Spectrum United Mutual Funds Inc. To: Spectrum Investment Management Limited	May 29/00
Change in Category	Y.I.S. Financial Inc. Attention: Ronald Grant Cobban 215 Scott Street St. Catharines, Ontario L2N 1H5	From: Mutual Fund Dealer Limited Market Dealer To: Mutual Fund Dealer Limited Market Dealer Scholarship Plan Dealer	June 9/00

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Decisions

13.1.1 Alternative Trading Systems/Proprietary Electronic Trading Systems

REQUEST FOR COMMENTS

Alternative Trading Systems/Proprietary Electronic Trading Systems

On May 29, 2000, the Board of Directors of The Toronto Stock Exchange Inc. (the "Exchange") approved amendments to the Rules of the Exchange related to Proprietary Electronic Trading Systems ("PETS") operated or sponsored by Participating Organizations ("POs").

The changes to the Rules will be effective upon approval of the changes by the Ontario Securities Commission following public notice and comment. Comments on the changes to the Rules should be in writing and delivered within 30 days of the date of this notice to:

James E. Twiss
Legal and Policy Counsel
Regulatory & Market Policy
The Toronto Stock Exchange
2 First Canadian Place
Toronto, Ontario. M5X 1J2
Fax: (416) 947-4398
e-mail: jtwiss@tse.com

A copy should also be provided to:

Randee Pavalow
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 800, Box 55,
20 Queen Street West
Toronto, Ontario. M5H 3S8
Fax: (416) 593-8240

SUMMARY OF AMENDMENTS

The amendments to the Rules related to Alternative Trading Systems operated or sponsored by POs:

- redefine a Proprietary Electronic Trading System ("PETS") as an Alternative Trading System ("ATS");
- permit an ATS to trade any order that need not be exposed in the book or traded on the Exchange; and
- provide a specific definition of "share" in the Rules to clarify that the term includes all forms of listed securities.

BACKGROUND:

ALTERNATIVE TRADING SYSTEMS

In 1995, the Exchange established a Special Committee to examine how competition for trading services could be introduced without causing harmful market fragmentation. The Special Committee recommended, as a first step, that Exchange members be allowed to operate "alternative trading systems" integrated with the public market. This recommendation was implemented in 1998 with the introduction of PETS.

The Special Committee also recommended that a process be implemented to allow ATSs to operate in competition with the Exchange. The proposal regarding the introduction of ATSs which is expected to be issued in July, 2000 by the Canadian Securities Administrators ("CSA") is the culmination of that process. Upon the implementation of the CSA proposal, the Exchange will be required to integrate any orders entered on an alternative trading system (as defined for the purposes of the CSA proposal) with the book of the Exchange. While the introduction date and the exact form of the CSA proposal on ATSs are not known at this time, the proposed change to the rules governing PETS to permit a broader range of orders to be traded would be a further interim step towards full ATS recognition in accordance with the CSA proposal. The changes which are proposed are transitional and further amendments to the Rules and Policies would be expected in order to implement the final form of the CSA proposal on alternative trading systems.

HARMONIZATION WITH THE ORDER EXPOSURE RULE

Rule 4-104 presently allows Participating Organizations to operate or sponsor a PETS which is:

- integrated with the Exchange's market (so that a PETS may match orders which are at or between the bid and offer in the book of the Exchange); and
- limited to handling orders for at least 10,000 securities with a value of at least $100,000.

Rule 4-402 (the "Order Exposure Rule") presently requires a PO to immediately enter a client order to buy or sell 1,200 shares or less in the book on the Exchange or on another stock exchange. Debentures, preferred shares, limited partnership units and securities traded in US funds are exempt from the Order Exposure Rule.

The Exchange is of the view that the operation of the two rules should be harmonized to the greatest extent possible such that orders which need not be exposed in the book or traded on the Exchange may be traded through a PETS. The Exchange believes that orders for more than 1,200 preferred shares, limited partnership units or securities traded in US funds should be eligible to be traded though a PETS. As Rule 4-

102(1)(j) already permits certain debt securities to be traded off-Exchange where the order exceeds $10,000 in principal amount of the debt security, the Exchange proposes the $10,000 threshold for the ability to trade debt securities through a PETS.

DEFINITION OF "SHARES"

For greater clarity in the interpretation of the rules governing securities which may be traded through an ATS (and for the interpretation of the Rules and Policies generally), the Exchange is suggesting that a definition of "shares" be added to the Rules. For this purpose, the use of the term "shares" in the Rules and Policies would include limited partnership units, trust units, warrants, rights and any other security which is a listed security.

TEXT OF AMENDMENTS TO THE RULES

Appendix "A" is the text of the amendments to the Rules on ATSs passed by the Board of Directors of the Exchange on May 29, 2000.

QUESTIONS

Questions concerning this notice should be directed to Regulatory and Market Policy by contacting either Patrick Ballantyne, Director at (416) 947-4281 or James E. Twiss, Legal and Policy Counsel at (416) 947-4333.

BY ORDER OF THE BOARD OF DIRECTORS

LEONARD P. PETRILLO
VICE PRESIDENT, GENERAL
COUNSEL AND SECRETARY

APPENDIX "A"

THE RULES

of

THE TORONTO STOCK EXCHANGE

The Rules of The Toronto Stock Exchange are hereby amended as follows:

1. Rule 1-101 is amended by adding the following definitions of "Alternative Trading System or ATS" and "shares":

   "Alternative Trading System" or **"ATS"** means an electronic trading system operated or sponsored by a Participating Organization which matches buy and sell orders in listed securities, but does not include a system which solely matches orders of one Participating Organization and the clients of that Participating Organization.

   "shares" includes limited partnership units, trust units, warrants, rights and any other security which is a listed security.

2. Rule 1-101 is amended by repealing the definition of "Proprietary Trading System or PETS".

3. Rule 4-104 is repealed and the following substituted:

   Alternative Trading Systems

   (1) A Participating Organization may operate or sponsor an ATS provided the Participating Organization has provided to the Exchange reasonable prior notice of:

      (a) the intention of the Participating Organization to operate or sponsor an ATS;

      (b) the functionality of the ATS; and

      (c) any material modifications to the operation or functionality of the ATS.

   (2) The operation of an ATS shall be:

      (a) limited to orders for more than:

         (i) 1,200 shares of a listed security other than a debt security, and

         (ii) $10,000 in principal amount of a listed security that is a debt security;

      (b) subject to Exchange Requirements; and

      (c) integrated with the Exchange's market.

THIS RULE AMENDMENT MADE this 29th day of May, 2000 to be effective upon approval of the amendment by the Ontario Securities Commission.

"Daniel F. Sullivan", Chair

"Leonard P. Petrillo", Secretary

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Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

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