

FINANCIAL INFORMATION
SHARING MEMORANDUM OF UNDERSTANDING

ARTICLE I: GENERAL

The United States Commodity Futures Trading Commission ("CFTC"), an independent regulatory agency of the U.S. government, the Commission des valeurs mobilières du Québec ("CVMQ"), a provincial administrative agency established under the Québec Securities Act ("QSA"), the Ontario Securities Commission ("OSC"), a designated agency established and vested with statutory powers to regulate the futures markets under the Commodity Futures Act of the provincial government of Ontario ("CFA"), the National Futures Association ("NFA"), a futures association registered under section 17 of the Commodity Exchange Act ("CEA"), The Montreal Exchange and The Toronto Futures Exchange ("TFE"), recognize the increasing international activity in the futures markets, the increasing number of firms operating in more than one jurisdiction directly or through affiliates, and the corresponding need for mutual cooperation between the relevant authorities to conduct an effective financial compliance and risk assessment program. Reference also is made to the Orders of the CFTC of March 14, 1989 and March 16, 1990 granting exemptions to certain brokers, referred to as Designated Futures Brokers herein, pursuant to rule 30.10 promulgated under the CEA. Those Orders are based upon, among other things, the existence of

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mechanisms for sharing information with the CFTC to ensure access on an "as needed" basis to, without limitation, data on a firm's standing to do business and its financial condition.

For these reasons, we have reached the following understanding with respect to the sharing and reporting of financial information regarding Designated Futures Brokers and Key Related Firms, as defined in Article II.

ARTICLE II: DEFINITIONS

1. For purposes of this Financial Information Sharing Memorandum of Understanding ("FISMOU"):

- (a) "Futures Brokers" means those firms engaged in an agency futures business who are members of The Montreal Exchange or the TFE, and who are regulated by the CVMQ or the OSC.
- (b) "Designated Futures Brokers" means those futures brokers that have been granted relief pursuant to the procedures set forth in the Orders issued to The Montreal Exchange on March 14, 1989, and/or to the TFE on March 16, 1990 under rule 30.10 promulgated under the CEA and identified in Appendix A hereof as may be amended from time to time.
- (c) "Futures Commission Merchant" or "FCM" means a futures commission merchant that is registered as such under the CEA and that conducts business in the United States.
- (d) "Key Related Firms" means:
 - (i) those Futures Brokers who are directly or indirectly controlling, controlled by, or under

common control with, an FCM including, without limitation, subsidiaries or companies with a common parent or holding company; or
(ii) those FCMs who are directly or indirectly controlling, controlled by, or under common control with, a Futures Broker including, without limitation, subsidiaries or companies with a common parent or holding company;

that are, to the best knowledge and belief of The Montreal Exchange, TFE or the relevant Canadian or U.S. Regulatory Authority, identified as such (including as to the nature of that relationship) and listed in Appendices B, C and D hereof as may be amended from time to time.

- (e) "Joint Regulatory Financial Questionnaire and Report" or "JRFQ" means the annual audited financial report filed at year end or the unaudited financial report filed at the request of a Canadian SRO by a Futures Broker pursuant to TFE or The Montreal Exchange by-laws.
- (f) "Monthly Financial Reports" means the unaudited financial statement and report filed on a monthly basis by a Futures Broker pursuant to TFE or The Montreal Exchange by-laws.
- (g) "Form 1-FR-FCM" means the financial report filed pursuant to Rule 1.10 under the CEA by an FCM on at least a semiannual basis with its Designated U.S. SRO.

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- (h) "Joint Audit Committee" means the committee of representatives of all U.S. SROs which was established to coordinate audit and financial surveillance plans, policies and procedures, particularly with respect to FCMs that are members of more than one U.S. SRO.
- (i) "Rule 1.12 Telegram" means the telegraphic or written notice filed by an FCM with its Designated U.S. SRO and the CFTC pursuant to Rule 1.12 promulgated under the CEA if (i) the adjusted net capital of an FCM falls below the minimum required by an applicable capital rule, (ii) the adjusted net capital of an FCM falls below 150 percent of the minimum required by an applicable capital rule, (iii) the books and records of an FCM are not current, (iv) the accounting system of an FCM, its accounting controls, procedures for safeguarding customer and firm assets or certain other practices and procedures specified in Rule 1.16(d)(1) promulgated under the CEA, are affected by a material inadequacy, as defined in Rule 1.16(d)(2) promulgated under the CEA, (v) the accounts carried by an FCM include an account which is undermargined by an amount which exceeds the firm's adjusted net capital, or (vi) any other event occurs for which Rule 1.12 requires telegraphic or written notice to an FCM's Designated U.S. SRO and the CFTC.
- (j) "U.S. Self-Regulatory Organization" or "U.S. SRO" means

NFA or any other self-regulatory organization as defined in Rule 1.3(ee) promulgated under the CEA.

- (k) "Designated U.S. Self-Regulatory Organization" or "Designated U.S. SRO" means a U.S. SRO that has primary responsibility for examining a member FCM for compliance with minimum financial and related reporting requirements under CFTC oversight (i) pursuant to Section 4f(2) of the CEA and Rule 1.52 promulgated thereunder, and in accordance with a joint audit plan approved by the CFTC under that rule, or (ii) because the member FCM is a member solely of that U.S. SRO.
- (l) "Canadian Self-Regulatory Organization" or "Canadian SRO" means The Alberta Stock Exchange, The Montreal Exchange, The Toronto Stock Exchange, The Toronto Futures Exchange, the Vancouver Stock Exchange and the Investment Dealers Association of Canada.
- (m) "Designated Canadian Self-Regulatory Organization" or "Designated Canadian SRO" means a Canadian SRO that has primary responsibility for examining a Futures Broker which is a member of more than one Canadian SRO or because the Futures Broker is a member solely of that SRO.
- (n) "Canadian Regulatory Authority" means the Commission des valeurs mobilières du Québec or the Ontario Securities Commission, as appropriate.

- (o) "United States Regulatory Authority" means the CFTC or NFA, as appropriate.
- (p) "Requested Authority" means the party (CVMQ, OSC or CFTC) to whom a request is made under Part B of Article III of this FISMOU.
- (q) "Requesting Authority" means the party (CVMQ, OSC or CFTC) making a request under Part B of Article III of this FISMOU.
- (r) "Laws, Rules and Regulations" means the provisions of the laws of Canada or the United States, a rule or regulation adopted thereunder, or an order issued thereunder by a relevant Canadian Regulatory Authority, a relevant United States Regulatory Authority, a Canadian SRO, or a U.S. SRO concerning the financial condition of persons transacting business in futures or option contracts or markets.

ARTICLE III: EXCHANGE OF INFORMATION

A. NOTIFICATION OF INFORMATION

1. The Montreal Exchange or the TFE, as appropriate, will provide to the CFTC, commencing with the first filing due after the effective date of this FISMOU, and as promptly as practicable thereafter after receipt of the relevant report or notification, the following information with respect to each of its members who are Designated Futures Brokers:

- (a) On an annual basis, the most recent annual audited JRFQ

and the most recent available Monthly Financial Report required under the rules of the Designated Canadian SRO. The Montreal Exchange or the TFE, as appropriate, will represent that it, or if it is not the Designated Canadian SRO for the Designated Futures Broker, will represent that such Designated Canadian SRO, has reviewed the filing and that, based solely on its review or that of the Designated Canadian SRO, as appropriate, of the information in that filing, there is no reason to believe (or there is reason to believe) that there exists a violation of the financial requirements of the Designated Canadian SRO;

- (b) Any special financial report required at the request of a Canadian SRO which reports transactions or conditions that could, or do, materially and adversely affect, directly or indirectly, the financial standing of the Designated Futures Broker;
- (c) Details of any notifications received under the rules of the Designated Canadian SRO which report transactions or conditions that could, or do, materially and adversely affect, directly or indirectly, the financial standing of the Designated Futures Broker, including reports of failure to meet financial requirements, deterioration of capital, transfers of capital, internal control inadequacies, and failure to maintain current records.

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2. The Montreal Exchange or the TFE, as appropriate, will provide the CFTC, simultaneously with any application, subsequent to the effective date hereof, by a Futures Broker to become a Designated Futures Broker, with the information described in preceding paragraph 1(a) and (b) of this Article III.

3. If, in the case of a Designated Futures Broker, The Montreal Exchange or the TFE, or in the case of a Key Related Firm, the relevant Canadian or relevant United States Regulatory Authority becomes aware of any information which in its respective judgment materially and adversely affects the financial or operational viability of such Designated Futures Broker and/or Key Related Firm, as appropriate, it will:

(a) In the case of The Montreal Exchange, the TFE or the relevant Canadian Regulatory Authority, notify the CFTC and provide:

- (i) the information which, in the judgment of The Montreal Exchange, the TFE or the relevant Canadian Regulatory Authority, materially and adversely affects the financial or operational viability of the Designated Futures Broker and/or Key Related Firm;
- (ii) copies of the Designated Futures Broker's and/or Key Related Firm's most recent audited and any subsequent unaudited JRFQ;
- (iii) copies of the Monthly Financial Reports for the

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preceding six-month period;

(iv) details of any notifications received during the last six months by The Montreal Exchange, the TFE or the relevant Canadian Regulatory Authority and not already provided pursuant to any other provision of this FISMOU which report transactions or conditions that could, or do, materially and adversely affect, directly or indirectly, the financial standing of the Designated Futures Broker and/or Key Related Firm, including reports of failure to meet financial requirements, deterioration of capital, transfers of capital, internal control inadequacies, and failure to maintain current records; and

(v) any other information which The Montreal Exchange, the TFE or the relevant Canadian Regulatory Authority may have in its possession which it deems relevant in its sole discretion, including without limitation, information related to intercompany loans or guarantee arrangements, customer omnibus accounts, or the types of trading activity engaged in by the Designated Futures Broker and/or Key Related Firm.

(b) In the case of the relevant United States Regulatory

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Authority, notify the relevant Canadian Regulatory Authority and provide:

- (i) the information which, in the judgment of the relevant United States Regulatory Authority, materially and adversely affects the financial or operational viability of the Key Related Firm;
- (ii) copies of the most recent audited Form 1-FR-FCM filed as of the fiscal year-end by the Key Related Firm and copies of any subsequent unaudited Form 1-FR-FCM filed by such Firm;
- (iii) copies of the Key Related Firm's Rule 1.12 telegrams, if relevant for the preceding six months, if any;
- (iv) notification if the Key Related Firm is classified as high risk under the Joint Audit Committee criteria; and
- (v) any other information which the relevant United States Regulatory Authority may have in its possession which it deems relevant in its sole discretion, including without limitation, information related to intercompany loans or guarantee arrangements, customer omnibus accounts, or the types of trading activity engaged in by the Key Related Firm.

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B. REQUESTS FOR INFORMATION

1. In order to assist each other in their conduct of effective financial compliance and risk assessment with respect to Designated Futures Brokers and Key Related Firms, the CVMQ and OSC, and the CFTC will provide to the other, upon request, relevant financial information which may include, without limitation:

- (a) Documents filed with the relevant Canadian or United States Regulatory Authorities or Canadian or U.S. SROs, such as financial reports, notices which report conditions that could, or do, materially and adversely affect the financial standing of a Designated Futures Broker or Key Related Firm, or registration statements;
- (b) Information developed and documents obtained by the relevant Canadian or United States Regulatory Authority or Canadian or U.S. SROs other than through regular reporting, such as internal financial reports, transactions between affiliated entities, commitments, guarantees, information as to proprietary trading including, as appropriate, information as to counterparties, and contingent obligations not reflected in the Designated Futures Broker or Key Related Firm's financial statement;
- (c) Audit, examination/investigation reports prepared by the relevant Canadian or United States Regulatory Authority

or Canadian or U.S. SROs, including any complaints relative to financial compliance resulting therefrom; and

(d) Other information, including but not limited to "corporate maps," the appropriateness of which may be assessed at the time of the request.

2. Requests for information shall be made in writing wherever possible, but in cases of urgency may be oral, provided they are confirmed in writing within ten days.

3. Requests for information shall specify the following:

- (a) The information sought by the Requesting Authority;
- (b) A general description of both the matter which is the subject of the request and the purpose for which the information is sought;
- (c) The Laws, Rules and Regulations pertaining to the matter which is the subject of the request; and
- (d) The desired time for reply and, where appropriate, the urgency thereof.

ARTICLE IV: CONFIDENTIALITY OF INFORMATION

1. The CVMQ and the OSC, and the CFTC have advised each other of, and acknowledge the applicability of, the local Laws, Rules and Regulations which govern the provision, use and confidentiality of information which may be exchanged under this FISMOU. The CVMQ and the OSC, and the CFTC, respectively, will advise each other of any material changes therein.

2. To the extent permitted by their respective Laws, Rules

and Regulations, the Requesting and Requested Authorities and any other party to this FISMOU shall keep confidential requests made pursuant to this FISMOU, the contents of such requests and information received pursuant to this FISMOU and any other matters arising during the operation of this FISMOU.

3. Consistent with paragraph 2 above, the Requesting Authority may use the information obtained pursuant to this FISMOU solely:

- (a) For purposes stated in the request, including risk assessment and ensuring compliance with or enforcement of the Laws, Rules and Regulations specified in the request; or
- (b) For purposes within the general framework of the use stated in the request, including conducting a civil or administrative enforcement proceeding or assisting in a receivership or bankruptcy proceeding involving the Laws Rules and Regulations of the Regulatory Authorities; to the extent permitted by consent or applicable Laws, Rules and Regulations, assisting in a self-regulatory enforcement proceeding; assisting in a proceeding, including a proceeding whose purpose is to permit a subsequent criminal prosecution; or conducting any investigation related thereto for any general charge applicable to compliance with or enforcement of the Laws, Rules and Regulations specified in the request.

4. In order to use the information furnished for any purpose other than those stated in paragraph 3 of this Article, the Requesting Authority must first inform the Requested Authority of its intention and provide this Authority with the opportunity to oppose such use. If, under such conditions, the Requested Authority does not oppose such use, this Authority may subject the use of such information to certain conditions. In the event that this use of the information is opposed by the Requested Authority, the Authorities agree to consult pursuant to paragraph 1 of Article VI hereunder as to the reasons for the refusal and the circumstances under which use of the information might otherwise be allowed.

5. Except as contemplated in paragraphs 3 and 4 of this Article IV, if any party to this FISMOU receiving information pursuant to this FISMOU becomes aware that such information has been received by any person that is not a party to this FISMOU, it shall inform the party providing the information and will thereafter use its best efforts to ensure that such information will not be used in any way that involves disclosure not permitted by this FISMOU.

6. If a party which receives information pursuant to this FISMOU receives any legally enforceable demand for such information, such party will to the best of its ability, prior to complying with the demand, promptly notify the party who provided such information, and assert appropriate legal exemptions or

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privileges with respect to such information as may be available.

ARTICLE V: LIMITATIONS OF LIABILITY

1. The parties to this FISMOU and their respective commissioners, directors, officers, employees or agents shall not be liable to the other parties to this FISMOU and their respective commissioners, directors, officers, employees or agents for any liability, loss or damage resulting from or claimed to have resulted from any delays, inaccuracies, errors or omissions with respect to the provision of information or any representation regarding that information as provided hereby or the failure to provide any such information or representation. It is understood that the information is being supplied on a best efforts basis and that no warranties, express or implied, are made by the parties with respect to the information to be furnished hereunder.

2. The provisions of this FISMOU shall not give rise to the right on the part of any non-party to this FISMOU, directly or indirectly, to obtain any information or to challenge the execution of a request for information or the furnishing of any information or representation under this FISMOU. Nothing in this FISMOU shall entitle any person, entity or governmental authority to any rights as a third party beneficiary.

ARTICLE VI: DISPUTES AND CONSULTATIONS

1. The parties will engage in consultations with respect to this FISMOU with a view to improving its operation and resolving

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any issues that may arise. The CVMQ and OSC, and CFTC will notify each other of material financial rule changes, including legislation pertaining to the financial status of Futures Brokers or FCMs.

2. Any of the conditions of this FISMOU may be amended or waived by mutual agreement of the parties to the extent permitted by law. Any such amendment or waiver shall be confirmed in writing among the affected parties as soon as practicable.

ARTICLE VII: EXECUTION

1. This FISMOU will be effective from the date of its execution by the CFTC, CVMQ, OSC, NFA, The Montreal Exchange and TFE.

2. Any U.S. SRO or Canadian SRO may become a party to this FISMOU with the agreement of the CFTC, the CVMQ and the OSC by executing a counterpart hereof and providing notice of such execution to the other parties to this FISMOU. The executed counterpart shall be deemed to be a part of the original FISMOU effective from the date of execution of the counterpart.

ARTICLE VIII: CONTACT OFFICERS

Information shall be exchanged pursuant to this FISMOU through the contact officers identified in Appendix D or their designees as provided by written notice to the signatories to this FISMOU.

ARTICLE IX: TERMINATION

Any party may terminate its participation in this FISMOU

provided it furnishes the other parties with at least 120 days prior written notice.

ARTICLE X: EFFECT ON OTHER AGREEMENTS

The provisions of this FISMOU shall have no effect on any other agreements or arrangements for the sharing of information between any of the parties hereto. Further, this FISMOU does not prohibit any Party from taking measures, to the extent permitted by any Laws, Rules, Regulations or international law, otherwise than as provided herein to obtain information necessary to conduct an effective financial compliance and risk assessment program.

Signed this 23rd day of September 1991.

United States Commodity
Futures Trading Commission

Wendy L. Gramm
Wendy L. Gramm
Chairman

Commission des valeurs
mobilières du Québec

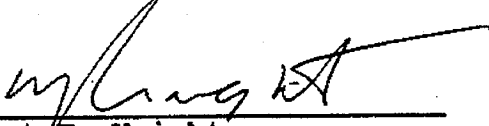
Paul Fortugno
Paul Fortugno
Chairman

National Futures Association



Robert K. Wilmouth
President

Ontario Securities Commission




Robert J. Wright
Chairman

The Montreal Exchange



Giovanni Giarrusso
Executive Vice Chairman

The Toronto Futures Exchange



James S. Gallagher
President

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